

STANFORD UNIVERSITY

BUDGET PLAN

2021/22



Approved:

This Budget Plan was approved by the Stanford University Board of Trustees June 9-10, 2021.

This publication can be found at:

<https://budget.stanford.edu/budget-plans>

2021/22 Stanford Budget Plan is developed by the University Budget Office.

Caption Front Cover: The site-specific outdoor work titled *Pars pro Toto*, created by International artist Alicja Kwade, was installed in the Science and Engineering Quad courtyard in April 2021.

Photo Credit: Andrew Brodhead: Stanford University Communications

STANFORD UNIVERSITY

BUDGET PLAN 2021/22



EXECUTIVE SUMMARY

To The Board of Trustees:

I am pleased to submit the Stanford University 2021/22 Budget Plan for approval.

As we conclude the current academic year, a year like no other in Stanford's history, I am confident that our budget for next year will support the university's return to a more normal operating mode as we continue to build on the excitement and potential of the Long-Range Vision.

In developing the Budget Plan for 2021/22 we have benefitted from strong market returns and a significantly improved public health situation. We have built the budget by focusing on several key priorities: restoring a market-based salary program, enhancing financial support for our students, and addressing essential operating needs in support of the research enterprise.

The Budget Plan has two parts. The first is the Consolidated Budget for Operations, which includes all of Stanford's anticipated operating revenue and expense for 2021/22. The second is the Capital Budget, which is set in the context of a multi-year Capital Plan. The budgets for Stanford Health Care and Stanford Children's Health, both separate corporations, are not included in this Budget Plan, although they are incorporated into the university's annual audited financial report.

Highlights of the Budget Plan:

- The Consolidated Budget for Operations projects a surplus of \$92.3 million on \$7.43 billion of revenues, \$7.15 billion in expenditures, and \$192.2 million in asset transfers. We anticipate revenue to increase by 11.1% over the projected 2020/21 year-end results. This is a consequence, principally, of a 31% increase in student income, following a year in which tuition and room and board revenues were significantly depressed due to the pandemic. In addition, we expect a 39% increase in special program fees and other income, as executive education and other on-campus events begin to return to normal. Overall, we are budgeting an 8.4% increase in expenses, driven principally by a competitive salary program; increased hiring, particularly in the Medical School; and increasing benefits costs.
- A detailed breakout of the Consolidated Budget (page 4) shows revenue and expenses by fund type. It is important to note that the Auxiliary and Service Center column reflects a projected deficit of \$39 million, even though the Consolidated Budget anticipates an overall surplus of \$92.3 million. This deficit occurs solely in Residential and Dining Enterprises. It is due to an anticipated slow ramp-up of retail and catering operations, as well as increased costs associated with the implementation of the new ResX neighborhood program. The deficit will be covered with university reserves.
- Within the \$7.43 billion of revenue is \$1.68 billion of general funds, which is an increase of 11% over the projected actuals for 2020/21. The growth is due substantially to increasing enrollments. Based on internal agreements, \$219.0 million of general funds will be directed primarily to the School of Medicine and the Graduate School of Business.

- This Budget Plan also presents the projected 2021/22 results in a format consistent with generally acceptable accounting principles (U.S. GAAP), as reported in the university's financial statements. The projected Statement of Activities shows a \$6.0 million deficit. This deficit is due principally to significantly increased depreciation expense associated with newer campus facilities.
- The Capital Budget is projected to be \$663.8 million in 2021/22. These expenditures are in support of a three-year Capital Plan whose total project costs, when fully completed, will be approximately \$2.0 billion. The bulk of the capital expenditures in 2021/22 will be directed toward the Bridge Building, the School of Medicine's lab facility and related projects at 1215 Welch Road, Middle Plaza, and the Graduate School of Education renovation.

STRATEGIC CONTEXT

The 2021/22 Budget Plan has been influenced by several factors:

- **Returning to an Operational Campus** — While we believe some elements of the pandemic will linger into the 2021/22 fiscal year, we have built the budget around a return to an emerging new normal in which the campus will be fully operational, and we expect many services and ancillary programs will expand their offerings as the year unfolds.
- **Endowment Payout and Investment Returns** — Stanford has been fortunate to benefit from strong market returns over the past year. This resulted in the Board of Trustees approval of a 6% increase in payout for non-student aid endowment funds and a 2.5% increase for student aid funds for 2021/22. The strong returns have also resulted in projected increases in the Tier I and II Buffers (described in more detail below), providing a source of funds for covering the significant costs to general funds of managing our response to the pandemic.
- **Student Residential Life** — We are planning for a full return of the Stanford student body to campus in the fall. We are also planning for the initial implementation of the undergraduate neighborhoods under the ResX program.
- **Clinical Revenue** — After a drop in clinical revenue during the early months of the pandemic, the School of Medicine has seen an increase in activity. Consequently, we are budgeting a 7.4% growth for 2021/22, somewhat below the 10-year compound annual growth rate of 10.6%.
- **Student Financial Aid** — We continue to offer highly competitive financial aid programs for undergraduate and graduate students. A year ago we increased the family income threshold from \$125,000 to \$150,000 below which students are not required to pay tuition. In the 2021/22 budget we have increased from \$65,000 to \$75,000 the threshold below which students will not pay tuition or room and board.
- **Long-Range Vision** — Throughout the budget process, the university's Long-Range Vision has provided a strategic framework for setting priorities. Despite the disruption and uncertainty of the pandemic, investments continue to be made to support Stanford's vision for the future. These have included investments to address affordability concerns for all members of our community, supporting the goals of IDEAL with significant investments in the recruitment and support of faculty, staff and students who bring diversity to our community, infrastructure support for the new school of sustainability, and resources to support the implementation of ResX.

- **Market-Based Salary Program** — After a year without a salary program, one of our highest priorities in the budget process has been to provide a market-based program for 2021/22.

CONSOLIDATED BUDGET FOR OPERATIONS

The table on the next page shows the main revenue and expense line items for 2021/22 and compares those numbers to our current projection of final results for 2020/21 and to the Budget Plan for 2020/21 approved in June 2020. Some highlights of both revenue and expense follow.

REVENUE

Student Income — This figure is the sum of tuition and room and board income and is expected to grow by 30.8% over the 2020/21 year-end projection. This large increase reflects the return to full enrollment, as well as an increase in the size of the entering freshman class, due to approximately 400 students taking a gap year in 2020/21. The increase is also driven by a 3.5% increase in room and board rates. Tuition for 2021/22 was held flat at the 2020/21 rates.

University Sponsored Research — Sponsored research revenues (excluding SLAC) are expected to grow approximately 5.7%, with the School of Medicine growing substantially faster than the rest of the university. Federal direct research is projected to grow by 3.3%, while non-federal research is expected to increase by 9.5%, returning to the growth pattern experienced prior to the pandemic. SLAC's revenues are expected to grow by 7.6%.

Health Care Services — Revenue from health care services is projected to increase by 7.4% in 2021/22. This revenue consists principally of payments from the hospitals to the School of Medicine for faculty physician services. Health care services revenue has been the fastest growing revenue source in the budget over the past 15 years.

Expendable Gifts — Stanford has benefitted from exceptional philanthropic support in recent years. However, after a very strong year in 2020/21, we expect a slight slowing in 2021/22 and have budgeted a 4% decrease in expendable gifts.

Investment Income — This category consists of endowment payout (\$1,428 million) and other investment income (\$350.7 million). Endowment payout is projected to increase by 7.8%, due to the approved growth in payout on existing funds, payout on new gifts to principal, and additions to the Tier II Buffer. Other investment income, a significant portion of which is the payout on the expendable funds pool, is budgeted to grow by 5.4% in 2021/22. By Trustee policy, expendable funds pool (EFP) payout is based on the total investment return of the EFP in the prior year, up to 5.5%. We expect to exceed the 5.5% return threshold in 2020/21, resulting in the maximum payout in 2021/22.

Other Income — As Stanford ramps up operations in 2021/22, particularly with increased conferences, catering, and executive education activity, we expect strong growth in this income category. With the exception of student income, this has been the revenue source hardest hit by the pandemic. We are budgeting a 38.9% increase in 2021/22 over the projected 2020/21 year-end results. This growth will largely occur in Athletics, the Graduate School of Business, Residential & Dining Enterprises, and the Alumni Association.

CONSOLIDATED BUDGET FOR OPERATIONS, 2021/22

[IN MILLIONS OF DOLLARS]

2019/20 ACTUALS	2020/21 BUDGET JUNE 2020	2020/21 PROJECTED ACTUALS		2021/22 CONSOLIDATED BUDGET	CHANGE FROM PROJECTED ACTUALS
Revenues					
940	1,043	846	Student Income	1,106	30.8%
1,115	1,188	1,183	University Sponsored Research	1,250	5.7%
507	506	535	SLAC Sponsored Research	575	7.6%
1,424	1,502	1,552	Health Care Services	1,668	7.4%
498	445	515	Gifts and Net Assets Released from Restrictions	495	-3.9%
1,700	1,380	1,658	Investment Income	1,779	7.3%
435	498	404	Special Program Fees and Other Income	561	38.9%
6,619	6,562	6,692	Total Revenues	7,433	11.1%
Expenses					
4,057	4,144	4,148	Compensation	4,491	8.3%
330	372	384	Financial Aid	409	6.5%
241	277	265	Debt Service	282	6.2%
1,693	1,827	1,799	Other Operating Expense	1,968	9.4%
6,321	6,620	6,596	Total Expenses	7,149	8.4%
298	(57)	96	Operating Results	284	
(81)	(51)	(203)	Transfers	(192)	
217	(108)	(106)	Operating Results after Transfers	92	
3,740	3,704	3,957	Beginning Fund Balances	3,850	
3,957	3,596	3,850	Ending Fund Balances	3,943	

EXPENSE

Compensation — We anticipate total compensation to increase 8.3% over 2020/21 year-end results. The increase is the result of several factors: a competitive market-based salary program after a year without an increase; faculty and staff headcount growth that is faster than in recent years as the university returns to a more normal mode of operation; an increase in the fringe benefits rate; and strong growth in the Clinician Educator group in the School of Medicine.

Financial Aid — We are budgeting a 6.5% increase in financial aid for undergraduate and graduate students. This increase reflects a higher fraction of undergraduates qualifying for need based aid, a larger freshman class due to the enrollment of students who took a gap year in 2020/21, and an increase in the family income threshold from \$65,000 to \$75,000, below which students are not required to pay tuition or room and board.

Other Operating Expenses — This substantial expense item is the amalgam of graduate stipends, operations and maintenance, utilities, capital equipment, materials and supplies, travel, library materials, subcontracts, and professional services. These expenses are projected to increase by 9.4% in 2021/22, as activity is expected to rebound after the pandemic.

GENERAL FUNDS BUDGET

A critical component of the annual budget process is the development of the General Funds portion of the Consolidated Budget. The \$1.5 billion in general funds in the non-formula units can be used for any university purpose. General funds play a critical role as they help to maintain many of the core academic and support functions of the university.

Incremental general funds for 2021/22 were unusually constrained due to the decision not to increase tuition. Tuition supports about half of the non-formula general funds budget.

There were two principal goals in the general funds allocation process: implement a market-based salary program and maintain a base general funds surplus in 2021/22. Both goals were achieved. In addition, incremental funds were allocated to the following areas:

- **Mission and Research Support** — \$7.3 million in base budget general funds will be added to support mission critical activities and to amplify the themes of the Long-Range Vision. A significant allocation has been made to the IDEAL initiative and related efforts to enhance diversity, equity, and inclusion across the university. This includes incremental funding for the Faculty Incentive Fund, the Faculty Development Initiative, the community centers, and an office supporting staff diversity and inclusion. Additional funding will be directed to research and compliance issues in the Dean of Research office; teaching support through classroom upgrades; and enhanced undergraduate financial aid, as noted above.
- **Systems and Administration** — \$3.4 million has been allocated to support administrative systems and systems infrastructure, Human Resources (HR) compliance functions, Office of External Relations operations, and risk management.
- **Facilities** — Incremental funding will go to the Office of Environmental Health and Safety for emergency communications, fire safety and inspection services. In addition, funding will be added to support the operations at the Anderson Collection.
- **Reserve for the Undergraduate Enrollment Surge** — \$17.0 million in general funds are reserved to support the needs associated with the four-year surge of undergraduate enrollment starting in 2021/22.

COVID-19 BUDGETARY IMPACTS PRIOR TO 2021/22

While the impacts of COVID-19 will linger into 2021/22 and are specifically called out in this Budget Plan, here we provide a comprehensive review of the financial implications of the pandemic during 2019/20 and 2020/21. Limiting this review to the financial impacts is solely due to the format of this Budget Plan; it is in no way meant to minimize the enormous academic, professional, and personal challenges that the extended Stanford community has overcome during this crisis.

The primary financial challenge presented by the pandemic was the fast and deep decrease in important revenue streams, including:

- **Student Income:** Undergraduates were sent home in March 2020 and, with few exceptions, were not invited to return for one year. Even then, only two undergraduate classes are in residence for the Spring and Summer 2021 quarters. Room and board losses, combined with additional reductions in conference, catering and hospitality revenues, resulted in \$220 million of losses for Residential & Dining Enterprises (R&DE) during 2019/20 and 2020/21. R&DE applied \$10 million of reserves toward these losses, but the remainder will be covered by central resources. In addition, central reserves will bear tuition and fee revenue losses of \$84 million, as approximately 4% of graduate students and more than 10% of undergrads took a leave of absence during 2020/21.
- **Sponsored Research:** Approximately \$23 million of research losses occurred in 2019/20, mainly from clinical trial declines, but research revenues quickly rebounded with an influx of support for COVID-19 research. Losses were mitigated by a federal policy that allowed researcher pay to continue on grants during the early pandemic months in spite of reduced activity due to lockdowns. Schools and local units were able to absorb losses in this area.
- **Healthcare Services:** Clinical activity at the hospitals immediately dropped, as COVID-19 cases increased and elective procedures were cancelled, resulting in over \$70 million in decreased clinical revenue and academic grants from the hospitals. Federal support from the CARES Act and other programs mitigated those losses, resulting in a net \$31 million loss for 2019/20, which the School of Medicine was able to cover from its reserves.
- **Special Program Fees and Other Income:** A host of losses accumulated in this category: several schools

experienced executive education and affiliates program losses nearing \$100 million over the two fiscal years, particularly in the Graduate School of Business; decreased ticket sales, broadcast revenue, NCAA and conference payouts, and facility rentals totaled \$54 million in Athletics; most Travel Study programs in the Stanford Alumni Association were cancelled along with other revenue-generating programs, totaling nearly \$40 million; and Stanford Transportation lost more than \$10 million in parking and shuttle revenue. These units reduced expenses and used local reserves to cover most of the losses, but central reserves will cover approximately \$18 million of deficits in the Alumni Association and Transportation.

The pandemic has had a bifurcated impact on expenses. Over \$200 million of non-salary expense savings occurred — even after adding COVID-specific expenses borne by local units. For units experiencing substantial revenue losses, these non-salary savings helped mitigate those losses. For many units, expense savings led to significant surpluses, resulting in academic units adding \$279 million to fund balances by the end of 2020/21. Some of these savings were offset by continuing pay for staff who could not fully engage in work due to COVID-19 restrictions and by providing salary premiums for essential staff. Centrally, the university reduced expenses by slowing capital expenditures, freezing salaries and hiring, and unfortunately laying off over 200 staff and eliminating an additional 200 vacant positions at the beginning of 2020/21.

Nonetheless, central reserves will need to cover approximately \$67 million of pandemic-related expenses, including COVID-19 testing, increased custodial services, direct support for student needs and the university's childcare centers.

In summary, central reserves will need to cover \$379 million of pandemic impacts (\$312 million of lost revenue and \$67 million of expenses). The university is fortunate to have healthy balances in the Tier I and Tier II Buffers, largely due to robust investment returns that defied the expectations of one year ago, to cover those needs. Additionally, there has been strong donor support for the university, both for COVID-related research and for Long-Range Vision initiatives. While there are still many uncertainties surrounding the pandemic and how Stanford emerges from it, the university is in a strong position to do so.

FINANCIAL RESERVES

Expendable Reserves — We project Stanford's expendable reserves will stand at \$4.9 billion at the end of 2021/22. Of that amount, \$3.9 billion is a combination of restricted and unrestricted expendable funds and unspent restricted endowment payout. The remaining amount is split among plant, student loan, and agency funds and are not represented in the Consolidated Budget for Operations. These reserves consist of thousands of funds held across the university, largely controlled by individual faculty, departments, programs, and schools.

Tier I Buffer — We project the Tier I Buffer will stand at \$2.0 billion by the end of 2021/22. The Tier I Buffer is comprised of the university's unrestricted funds functioning as endowment, the payout from which supports the general funds component of the Consolidated Budget. The majority of the buffer's funds are generated by the investment returns on our expendable reserves. The Tier I Buffer acts as a backstop to maintain the face value of those expendable funds, which are invested in the merged pool.

Tier II Buffer — The portion of the Tier II Buffer invested in the merged pool is estimated to be \$1.7 billion by the end of 2021/22. Like the Tier I Buffer, this fund is generated from excess investment returns from expendable reserves and is invested as funds functioning as endowment. The payout from the Tier II Buffer is used at the discretion of the president. The corpus of the Tier II Buffer acts as a general university reserve. Last June, the Board of Trustees approved the withdrawal of \$150 million from the Tier II Buffer to cover COVID-19-related budget shortfalls. We anticipate the impact of the pandemic will be more than double that early authorization and expect to seek approval for a larger withdrawal later this year.

CAPITAL BUDGET AND THREE-YEAR CAPITAL PLAN

The Capital Budget and three-year Capital Plan are based on a projection of the major capital projects that the university intends to pursue to further its academic mission. The Capital Budget, estimated at \$663.8 million, represents anticipated capital expenditures in 2021/22, notably: the School of Medicine facility at 1215 Welch Road, Bridge Complex for the Digital Future, Graduate School of Education Renovation and New Building, and Middle Plaza at 500 El Camino in Menlo Park. The three-year Capital Plan spans 2021/22 through 2023/24. The total cost of each project active at any point during that three-year period counts towards the Capital Plan total of \$2.0 billion. Actual cash flows over the three-year period will be approximately \$1.6 billion.

ACKNOWLEDGMENTS

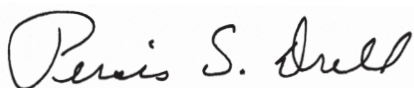
The budget process involves considerable work on the part of deans, administrative officers, managers, and budget officers at every level of the university. I thank all of them for their work in this, the second year of budget development during the pandemic. It has been a long and challenging—but exceptional—effort!

There are two critical advisory groups that assist me in formulating this Budget Plan—and in the two iterations of budget planning we did for the 2020/21 budget. The University Budget Group consists of Lanier Anderson, Stacey Bent, Sarah Church, Noah Diffenbaugh, Judy Goldstein, Randy Livingston, Steve Olson, Davis Reek, Steve Sano, Dana Shelley, George Triantis, and Tim Warner. This year the group met from late September through March, often twice a week, to review submissions and requests from the various budget units and to advise me on a range of budget decisions. Support for the Budget Group, and for the creation of this document, is provided by the University Budget Office staff, consisting of Manpreet Bindra, Jacy Crapps, Neil Hamilton, Kulneet Homidi, Dana O'Neill, Mike Ling, Davis Reek, Mark Rickey, Lera Semenova, Dana Shelley, and Tim Warner.

The Capital Planning Group consists of Jack Cleary, Lou Durlowsky, Megan Davis, Stephanie Kalfayan, David Lenox, Paula Quintero, Bob Reidy, Craig Tanaka, Bob Tatum, and Tim Warner. Howard Leung provides essential support.

REQUESTED APPROVAL AND ORGANIZATION OF THIS DOCUMENT

The Budget Plan provides a university-level perspective on Stanford's programmatic and financial plans for 2021/22. We seek approval of the planning directions, the principal assumptions, and the high-level supporting budgets contained herein. We continue to operate in an uncertain environment, so there will likely be changes and adjustments as we move through the next fiscal year. We will provide timely updates and variance reports to the Board of Trustees as we move ahead. We appreciate your understanding and support.



Persis S. Drell
Provost
June 2021

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INTRODUCTION: BUDGETING AT STANFORD

Budgeting at Stanford is a continuous process that takes place throughout the year and occurs at nearly every level within the university. The cycle starts with planning that considers programmatic needs and initiatives, continues with the establishment of cost drivers such as the approved salary program and fringe benefits rates, and is tempered by available funding sources. Stanford's "budget"—referred to as the Consolidated Budget for Operations—is an amalgamation of thousands of smaller budgets, including everything from an individual faculty member's budget for a sponsored grant from the National Institutes of Health, to the budget for the Department of Psychology, to the budget for the School of Engineering. These budgets are created and managed by the areas that are governed by them, with oversight by the provost, the chief budget officer of the university. There are general principles and guidelines to which the budgets must adhere, but schools and other units are allowed tremendous freedom in the development and execution of their budgets.

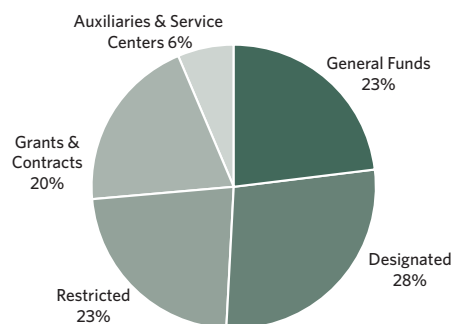
FUND ACCOUNTING

Stanford's budgets are developed and managed according to the principles of fund accounting. Revenue is segregated into a variety of fund types, and the use of the revenue is governed by the restrictions of the fund. For example, each expendable gift is put into an individual fund, and the recipient must use the funds in accordance with the wishes of the donor. Gifts of endowment are also put into separate funds, but the corpus itself is not usually spent. An annual payout on the endowment fund is spent, and as with gift funds, only in accordance with the restrictions imposed by the donor. The segregation of each gift allows the university to ensure that the funds are spent appropriately and to report to donors on the activities that their funds support. Monies received from government agencies, foundations, or other outside sponsors are also deposited in separate, individual funds to ensure strict adherence to the terms of the grants and/or contracts that govern the use of the funds. Non-gift and non-sponsored research revenue also reside in funds, but this type of revenue may be commingled in a single fund. Departments may choose to combine monies without donor restrictions into separate funds for a particular program, for a capital project, or to create a reserve. Stanford's consolidated revenues by fund type are shown at the right.

BUDGET MANAGEMENT

At the end of fiscal year 2019/20, Stanford had roughly 25,000 active expendable funds (with balances) and more than 8,500 endowment funds. So how does Stanford budget and manage all these funds? It goes without saying that the university uses a sophisticated financial accounting system to set up the individual funds, to record each financial transaction, and to track fund balances. But nearly all of the decision-making for the use of Stanford's funds is made at the local level, consistent

2021/22 CONSOLIDATED REVENUES BY FUND TYPE



with the decentralized and entrepreneurial spirit of the university. Unlike a corporation, Stanford is closer to a collection of disparate, autonomous businesses with widely varying cost structures and resources. As such, each principal investigator is accountable for the responsible use of his/her grant funding, each gift recipient must ensure that the gift funds are used in accordance with the donor's wishes, and each school must fulfill the expectations for teaching and scholarship within its available resources. Schedule 21 in the Appendix shows expendable fund balances by academic unit and by level of control.

BUDGET CONTROL

The primary control on local unit budgets at Stanford is available funding. Except for general oversight and policies governing the appropriate and prudent use of university funds, the central administration does not place additional limits on spending. For example, if a faculty member needs to hire a postdoctoral fellow to help carry out a particular research project, and if grant funding is secured to cover this expense, the university does not second-guess this decision. Conversely, two important budget matters are controlled centrally: faculty billets and space.

Because the majority of Stanford's funding is under the direct control of a faculty member, a department, or a school, these entities are able to support programs as long as they maintain a positive fund balance. This, however, does not mean that the programs must operate with a surplus during any particular fiscal year. In fact, a "deficit" is usually reflective of a planned use of prior year fund balances. A simple example of this is when a department receives a gift of \$5.0 million to be spent over five years. If the funds are spent evenly over the time period, the program will show a surplus of \$4.0 million in the first year and will generate an ending fund balance of \$4.0 million. In each of the next four years, this program will receive no

revenue, will expend \$1.0 million dollars, and will thus generate an annual deficit of \$1.0 million while drawing down the fund balance of the gift.

The Consolidated Budget for Operations, the aggregate of all of Stanford's smaller budgets, is therefore not centrally managed in the corporate sense. Nonetheless, a great deal of planning goes into the development of the individual unit budgets that aggregate into the Consolidated Budget of the university.

DEVELOPMENT OF THE CONSOLIDATED BUDGET AND THE ROLE OF GENERAL FUNDS

Another key element in the development of the units' budgets and the Consolidated Budget is university general funds, which are funds that can be used for any university purpose. General funds play a particularly important role in the overall budget, because they cover many expenses for which it is difficult to raise restricted funds, such as administration and campus maintenance. The main sources of general funds are tuition income, indirect cost recovery, unrestricted endowment income, and income from the expendable funds pool.

Each school and administrative unit receives general funds in support of both academic and administrative functions. The process for allocating general funds is controlled by the provost and aided by the Budget Group, which includes representation from both faculty and administration.

The critical elements of the process are a forecast of available general funds, a thorough review of each unit's programmatic plans and available local funding, and an assessment of central university obligations such as building maintenance and debt service. Balancing the needs and the resources is the ultimate goal of the Budget Group. The general funds allocation process is described in more depth in Chapter 1.

CHAPTER 1

CONSOLIDATED BUDGET FOR OPERATIONS

In this chapter we review the details of the 2021/22 Consolidated Budget for Operations, describe the general funds allocation process and results, and present a forecasted Statement of Activities.

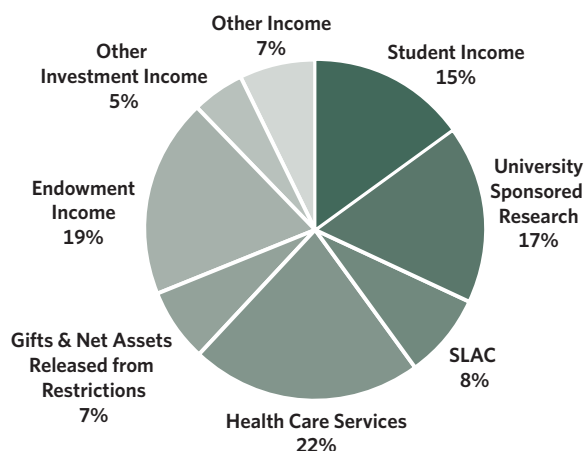
CONSOLIDATED BUDGET FOR OPERATIONS

The Consolidated Budget for Operations provides a management-oriented overview of all non-capital revenues and expenditures for Stanford University in the fiscal year. It is based on the budget plans developed by the schools and administrative areas, with adjustments made by the University Budget Office for total expected activity levels not yet associated with a particular budget unit. The Consolidated Budget includes only those revenues and expenses available for current operations. It does not include plant funds, student loan funds, or endowment principal funds, although it does reflect endowment payout. Furthermore, it does not include the budgets of Stanford Health Care or Stanford Children's Health.

The 2021/22 Consolidated Budget for Operations shows total revenue of \$7,433.4 million and expenses of \$7,148.9 million, resulting in a net operating surplus of \$284.5 million. After projected transfers of \$192.2 million, predominantly to plant funds, the Consolidated Budget shows a surplus of \$92.3 million. It is too early to know all the ways in which COVID will have changed the future operations of the university, but this budget plan is built on the assumption that many COVID-related restrictions will be lifted and that the university will be able to return to in-person classes, full numbers of students living in the residences, and normal research activities.

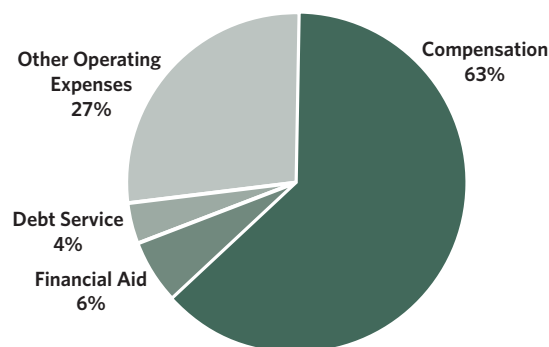
Total revenues in 2021/22 are projected to increase \$741.4 million or 11.1% over revenues expected in 2020/21. As in past years, the total growth belies the variability among the component revenue sources. More than a third of the growth

2021/22 CONSOLIDATED REVENUES: \$7,433.4M¹



¹ Net Revenues after Transfers: \$7,241.2 Million

2021/22 CONSOLIDATED EXPENSES: \$7,148.9M



CONSOLIDATED BUDGET FOR OPERATIONS, 2021/22

[IN MILLIONS OF DOLLARS]

2019/20 ACTUALS	2020/21 BUDGET JUNE 2020	2020/21 PROJECTED ACTUALS	Revenues and Other Additions	GENERAL FUNDS	DESIGNATED	RESTRICTED	GRANTS AND CONTRACTS	AUXILIARY & SERVICE CENTER ACTIVITIES	2021/22 TOTAL	CHANGE FROM PROJECTED ACTUALS
383.9	414.7	338.4	Undergraduate Programs	433.3	0.1				433.4	28.1%
391.5	402.7	381.3	Graduate Programs	408.1	5.7				413.9	8.5%
164.9	225.6	126.1	Room and Board					259.1	259.1	105.4%
940.3	1,043.0	845.9	Student Income	841.5	5.8			259.1	1,106.4	30.8%
836.1	892.8	889.6	Direct Costs-University				937.7		937.7	5.4%
278.6	295.5	292.9	Indirect Costs	311.9					311.9	6.5%
1,114.8	1,188.3	1,182.5	University Sponsored Research	311.9			937.7		1,249.6	5.7%
507.1	506.0	534.7	SLAC Sponsored Research				575.2		575.2	7.6%
1,424.1	1,501.8	1,552.5	Health Care Services	46.0	1,569.2	11.5		40.9	1,667.6	7.4%
497.8	445.1	515.0	Gifts and Net Assets Released from Restrictions	2.0		493.0			495.0	-3.9%
1,360.0	1,270.2	1,325.2	Endowment Income	308.0		1,120.2			1,428.2	7.8%
340.3	110.3	332.7	Other Investment Income	157.9	186.3	4.3	0.6	1.6	350.7	5.4%
1,700.4	1,380.5	1,657.9	Investment Income	465.9	186.3	1,124.5	0.6	1.6	1,778.8	7.3%
434.6	497.6	403.6	Special Program Fees and Other Income	13.0	383.3	1.5		162.8	560.7	38.9%
6,619.0	6,562.3	6,692.0	Total Revenues	1,680.3	2,144.6	1,630.5	1,513.5	464.5	7,433.4	11.1%
Expenses										
4,056.6	4,143.6	4,148.0	Compensation	1,097.8	1,424.9	749.5	878.6	340.1	4,491.0	8.3%
330.0	372.2	383.7	Financial Aid	94.8	6.4	286.9	20.6	0.2	408.9	6.5%
241.2	277.1	265.3	Internal Debt Service	39.7	96.2	0.5		145.1	281.6	6.2%
1,693.0	1,826.6	1,798.5	Other Operating Expenses	431.4	343.8	336.5	562.3	293.6	1,967.5	9.4%
6,320.8	6,619.6	6,595.5	Total Expenses	1,663.7	1,871.3	1,373.4	1,461.5	779.0	7,148.9	8.4%
298.1	(57.3)	96.5	Operating Results	16.6	273.3	257.0	52.1	(314.5)	284.5	
Transfers										
(37.7)	(8.0)	(32.7)	Transfers from (to) Endowment Principal		(31.4)	(10.5)			(41.8)	
(94.9)	(30.3)	(151.5)	Transfers from (to) Plant	(100.5)	(25.8)	(9.8)	(4.7)	(2.1)	(142.8)	
51.2	(12.5)	(18.4)	Other Internal Transfers	110.5	(169.6)	(178.7)	(47.4)	277.6	(7.5)	
(81.4)	(50.9)	(202.6)	Total Transfers	10.0	(226.8)	(198.9)	(52.0)	275.5	(192.2)	
216.7	(108.1)	(106.2)	Operating Results and Transfers	26.6	46.5	58.1	0.0	(39.0)	92.3	
3,739.7	3,703.7	3,956.5	Beginning Fund Balances	336.1	1,880.8	1,778.5	0.0	(145.1)	3,850.3	
3,956.5	3,595.6	3,850.3	Ending Fund Balances	362.7	1,927.3	1,836.7	0.0	(184.1)	3,942.6	

in revenue in 2021/22 is in student income, as enrollment is expected to exceed pre-COVID levels and students return to residential life. Special program fees and other income are forecast to increase by nearly 40%, fueled by a strong return of executive education in the Graduate School of Business, athletic events, and revenue-generating activities in the Stanford Alumni Association. Sponsored research, health care services, and investment income are each expected to increase by roughly 7%. Only gift revenue is projected to decline slightly, following a strong fundraising year in 2020/21.

Total expenses in 2021/22 are forecast to grow by 8.4% over the projected year-end results for 2020/21. The increase is driven by a strong salary program and the expectation that many vacant positions will be filled and new headcount will be added across the university. Growth in general operating expenses is expected to be substantially higher than in past years in support of the return to pre-COVID levels of activities.

The Consolidated Budget is developed and managed according to the principles of fund accounting, whereby revenue is segregated into a variety of fund types, and the use of the revenue is governed by the restrictions of the fund. It is important to note that the projected Consolidated Budget surplus of \$92.3 million is the result of surpluses in all of the fund types except auxiliary. Most of the surplus is in designated and restricted

funds held by the schools, departments, and faculty, and will result in increases to fund balances. Residential & Dining Enterprises, an auxiliary, anticipates a \$39.0 million deficit due to operational losses associated with the implementation of the ResX neighborhood concept and slow recovery of conferences, catering, and retail business revenue. This shortfall will be covered by university reserves.

The table on the facing page shows the Consolidated Budget by revenues and expenses, as well as by fund type, for 2021/22. For comparison purposes, it also shows the actual revenues and expenses for 2019/20 and both the budget plan and the year-end projection for the current fiscal year, 2020/21. Definitions of key terms are provided below.

THE CONSOLIDATED BUDGET BY PRINCIPAL REVENUE AND EXPENSE CATEGORIES

Revenues

Student Income

Student income is expected to grow by 30.8% in 2021/22 to \$1,106.4 million and reflects a return to full enrollment and the expectation that students will be able to return to campus in the fall. The increase is particularly large because it follows a

KEY TERMS

General Funds: Funds without donor restriction (unrestricted funds) that can be used for any university purpose. The largest sources are tuition, unrestricted endowment income, and indirect cost recovery.

Designated Funds: Funds that come to the university as unrestricted but are directed to particular schools and departments, or for specific purposes by management agreement.

Restricted Funds: Include expendable and endowment income funds that can only be spent in accordance with donor restrictions.

Grants and Contracts: The direct component of sponsored research, both federal and non-federal. Individual principal investigators control these funds.

Auxiliaries: Self-contained entities such as Residential & Dining Enterprises and Athletics that generate income and charge directly for their services. These entities usually pay the university for central services provided.

Service Centers: Entities that provide services primarily for internal clients for which they charge rates to recover expenses.

Net Assets Released from Restrictions: Under U.S. GAAP, gifts and pledges that contain specific donor restrictions preventing their spending in the current fiscal year are not included in the Consolidated Budget for Operations. When the restrictions are released, these funds become available for use and are included in the Consolidated Budget on the line Net Assets Released from Restrictions. These funds include cash payments on prior year pledges and funds transferred from pending funds to gift funds.

Financial Aid: Includes expenses for undergraduate and graduate student aid. Student salaries, stipends, and tuition allowances are not considered to be financial aid and are included in other lines in the Consolidated Budget.

Formula Areas: Budget units whose allocations of general funds are predetermined by a formula agreed to by the provost and the unit. Principal formula units include the Graduate School of Business, the School of Medicine, and Continuing Studies/Summer Session.

projected 10% decline in student income in 2020/21 over the actual student income received in 2019/20, which was also depressed as undergraduate students had to leave campus in March of 2020. COVID-19 hit student income the hardest of any revenue category, as many students chose to take a leave of absence, and most students were unable to participate in the on-campus residential experience during 2020/21.

Tuition and Fees — Stanford expects to generate \$847.3 million in tuition and fee revenue in 2021/22, a 17.7% increase over 2020/21. The increase is entirely enrollment driven, as the Board of Trustees decided to hold the 2020/21 tuition rates flat into 2021/22. Tuition and fees will contribute only 11.4% of Stanford's total revenue in 2021/22, but they will generate 50.1% of university general funds. As such, they remain a vital source of unrestricted revenue. In addition to supporting faculty and staff salaries, student services, financial aid, and other direct academic program needs, tuition plays a crucial role in funding infrastructure, support services, and other operational activities.

Undergraduate program revenue will increase by 28.1%, under the assumption that the university will be able to offer in-person classes and fully welcome undergraduates back to campus. More than 10% of the undergraduate population took a leave of absence in 2020/21. Lower enrollment and its resultant lower tuition revenue in 2020/21 drive the steep increase in undergraduate tuition in 2021/22. The 2021/22 level not only assumes a return to pre-COVID undergraduate enrollment levels, but it reflects a surge in enrollment as the roughly 380 freshmen who chose to take a gap year in 2020/21 begin their Stanford experience in 2021/22. Stanford continues to be, along with its peers Harvard, MIT, Yale, and Princeton, one of the lowest priced universities among the highly selective private universities that comprise the Consortium on Financing Higher Education (COFHE). However, because Stanford increased tuition by 4.95% while some of its peers held or reduced tuition in 2020/21, Stanford's tuition rank among the COFHE university cohort increased from 15th to 13th out of 17. This ranking may change again in 2021/22 with Stanford's decision to hold tuition rates flat in the coming year.

Graduate program revenue is projected to grow by 8.5% in 2021/22. While graduate enrollment did not decline as significantly as undergraduate enrollment, graduate program revenue was nonetheless negatively impacted in 2020/21 with roughly 4% of graduate students on leave. The growth projected for 2021/22 is built upon the resumption of pre-COVID graduate enrollment.

Room and Board — Total room and board income is projected to be \$259.1 million in 2021/22, dramatically increasing by 105.4% over the 2020/21 room and board revenue that was decimated due to the pandemic. The 2021/22 room and board revenue forecast is based on the assumption that all students will be able to resume residential living in the fall.

In December, the Trustees approved a combined undergraduate room and board rate increase of 3.5% for 2021/22, bringing the undergraduate rate to \$17,860. A higher room and board rate will support the bargaining unit contractual wage package, higher food and other operating expenses, as well as some deferred maintenance in housing and dining facilities. The modest increase is unlikely to cover all costs, due to the need to extend some pandemic-related expenses.

Sponsored Research and Indirect Cost Recovery

University

University sponsored research revenue, excluding SLAC, is forecasted to be \$1,249.6 million in 2021/22, a 5.7% increase from the projected level in 2020/21. The amount includes \$937.7 million in direct research revenue from external grants and contracts, as well as \$311.9 million for reimbursement for indirect costs incurred by the university in support of sponsored activities.

SPONSORED RESEARCH REVENUE (Excluding SLAC)

[IN MILLIONS OF DOLLARS]

	2020/21	2021/22	PERCENT CHANGE
Federal Directs	590.9	610.6	3.3%
School of Medicine	384.7	402.5	4.6%
Other Schools	206.3	208.2	0.9%
Non-Federal Directs	298.7	327.0	9.5%
School of Medicine	200.5	227.0	13.2%
Other Schools	98.2	100.0	1.9%
Total Directs	889.6	937.7	5.4%
Total Indirects	292.9	311.9	6.5%
Total Research	1,182.5	1,249.6	5.7%

Both federal and non-federal sponsored research are projected to increase in 2021/22, but the growth in non-federal sponsored activity will grow at almost triple the pace of federal sponsored activity, as indicated in the chart above. When COVID-19 impacted the university in the spring of 2020, limited access to labs necessitated a pivot to remotely conducted

research. Non-federal activity was stifled while much of the federal activity was preserved, in large part due to the government's pay continuation policy. With a planned reopening of campus operations in 2021/22, in addition to increased funding for COVID-19 research and the renewal of California Institute for Regenerative Medicine (CIRM) funding, sponsored research is expected to recover lost ground. While this is promising, current projections show that the fraction of sponsored research funded by the federal government in 2021/22 will be 68%, down from 77% ten years ago. While non-federal corporate sponsors typically reimburse Stanford at indirect cost rates comparable to federal sponsors, non-federal charitable foundations reimburse Stanford at a significantly lower rate, requiring the university to subsidize an increasing portion of these costs.

Overall federal sponsored research is projected to grow by 3.3% in 2021/22. The School of Medicine budgeted a 4.6% increase in 2021/22, based on new faculty hires and higher clinical research activities. A significant portion of the School of Medicine's new awards are related to COVID-19 research and will be expended over several years. The National Institutes of Health (NIH) continues to play a significant role in Medicine's research budget. Although the NIH funding environment has become increasingly competitive over the years, Medicine has continued to grow its funding share, a testament to its clinical research strength. Other schools, in aggregate, project a 0.9% increase in federal direct research. The School of Engineering expects federal sponsored projects revenue to increase slightly, by 2.2%, driven by new faculty applications. The School of Humanities and Sciences projects a modest 1.1% increase in federal sponsored research volume, down significantly from its three-year average growth of 5.4%. The School of Earth, Energy and Environmental Sciences forecasts 8.5% growth in federal support. Since a sizeable portion of its research activities is field-based, activity is expected to ramp back up in 2021/22. Offsetting this growth is a significant reduction of 10.6% in the Dean of Research, resulting from large contracts coming to an end in addition to a cautious outlook due to the pandemic.

Non-federal support for research grants and contracts is projected to increase by 9.5% in 2021/22. The difference in growth between the School of Medicine and other schools is stark: 13.2% and 1.9%, respectively. In November 2020, the advancement of Proposition 14 added \$5.5 billion to CIRM's

budget, allowing the School of Medicine to continue its efforts on this front. In addition, the School of Medicine's non-federal funding benefitted from high demand for COVID-19 research, predominantly from corporations. The tepid non-federal growth projected for the other schools is a mix of ups and downs. Comprising a third of the non-Medicine schools, the School of Engineering is budgeting a non-federal decline of 4.3%, in large part due to continued uncertainty driven by the pandemic. The School of Earth, Energy and Environmental Sciences is declining 7.5% for similar reasons. The Graduate School of Education is shuttering and downsizing several research centers, resulting in a 14.1% reduction in non-federal research. Offsetting much of this is the School of Humanities and Sciences and its 16.7% growth driven by a strong recovery from the pandemic, in addition to the Dean of Research and its 18.2% growth primarily from the expansion of membership in the Precourt Institute for Energy's Strategic Energy Alliance program. Combined, these two schools comprise over half of non-federal sponsored research.

Indirect cost recovery will reach \$311.9 million in 2021/22, an increase of 6.5%. The on-campus organized research rate, the Facilities & Administration rate, is budgeted at 57.4%, a slight reduction from 57.7% in 2020/21. Every two years, the university negotiates this rate with the Office of Naval Research.

SLAC

Stanford operates SLAC National Accelerator Laboratory (SLAC), a federally funded research and development center, for the Department of Energy (DOE). SLAC's sponsored research budget in 2021/22 is expected to increase by 7.6% to \$575.2 million. Because DOE owns SLAC's facilities and capital equipment, DOE-funded capital expenditures are treated as operating revenue and expense and are included in SLAC's consolidated budget. The DOE contract is budgeted at \$567.2 million in 2021/22. The construction component of SLAC's budget will grow by 7.3%, driven by the ramp-up of the Linac Coherent Light Source-II-High Energy project, the petawatt laser facility, the Large Scale Collaboration Center, the Cryo-Module Repair Facility, and the Critical Utilities Infrastructure Revitalization project. The remaining \$8.0 million in research funding comes from an NIH grant for the Cryo-EM Center's equipment. SLAC research and construction programs are discussed in more detail in Chapter 2.

Health Care Services

Health care services revenue continues to be an area of strong growth and is projected to increase 7.4% to \$1,667.6 million in 2021/22. Health care services revenue is expected to continue to grow over the next few years, as the School of Medicine recruits clinically active faculty and clinician educators in conjunction with the expansion of Stanford Health Care and Stanford Children's Health. The School of Medicine and the hospitals have an integrated clinical strategy that includes the growth essential to maintaining preeminence in a highly competitive health care market and the highly specialized care required for training purposes by a leading academic medical center.

The School of Medicine generates more than 90% of the university's total health care services revenue, the majority of which is paid by Stanford Health Care and Stanford Children's Health through the professional services and inter-entity agreements. These agreements pass a portion of the hospitals' clinical service revenues to the academic departments based on clinician productivity, with additional payments made for department overhead costs, medical direction leadership, programmatic development, and for measures of quality, safety, and value. Hospital payments cover compensation expenses for faculty, clinician educators, and staff who are directly involved in the clinical mission. In addition, the funds flow agreements cover non-compensation expenses of the clinical mission and provide support for the academic and research mission. Clinical revenues in 2021/22 are projected to increase 8.3% to \$1,317.0 million. An additional \$232.4 million of hospital payments to the School of Medicine cover the university's formula assessment on the school's clinical revenue, rent, use of the library, 3-D imaging, and other non-clinical programs and services.

The remaining \$118.2 million in health care services revenue represents payments from the hospitals to other parts of the university: \$30.0 million to Business Affairs, primarily for communications services; \$25.4 million to Land, Buildings and Real Estate for operations and maintenance and utilities, Marguerite shuttle service, and parking permits; \$16.5 million to the Office of External Relations for hospital fundraising support and government affairs; \$16.5 million to the Office of the General Counsel for legal services; and \$21.4 million to the central administration for parking structure debt service, Stanford Infrastructure Program fees, and general overhead.

Gifts and Net Assets Released from Restrictions

Revenue from expendable gifts and net assets released from restrictions is budgeted to be \$495.0 million in 2021/22, a 3.9% decrease over 2020/21. Stanford fundraising has seen substantial success during the pandemic, with strong support for COVID-related work and Long-Range Vision priorities from the university's sponsors. COVID giving, in particular, has driven gift philanthropy in 2020/21, but the pace of giving is expected to slow slightly in the coming year.

Expendable gifts are those immediately available for purposes specified by the donor and do not include gifts to endowment principal, gifts for capital projects, gifts pending designation, or non-government grants. Net assets released from restrictions include cash payments on gift pledges made in prior years, as well as pending gifts whose designation has been determined.

Investment Income

In 2021/22, investment income is projected to increase by 7.3% to \$1,778.8 million. This total is comprised mostly of endowment payout to operations, but also includes other investment income described below.

Endowment Income — Endowment payout to operations in 2021/22 is budgeted to be \$1,428.2 million, an increase of 7.8% over 2020/21. Endowment income includes payout from individual funds invested in the Merged Pool (MP), as well as specifically invested endowments, and net rental income from the Stanford Research Park and other endowed lands.

Historically the university has had a single payout per share for all endowment funds invested in the MP. Last June, the trustees approved two payout rates for 2020/21: one for funds restricted to student aid and a substantially lower one for all other funds. At the time, there was great concern that the pandemic would cause a sharp reduction in the value of the MP and that it was prudent to take a conservative approach to payout in 2020/21. The rationale for allowing a higher payout on student aid funds was that expenses supported by these funds cannot easily or quickly be reduced to align with lower payout. Any reduction in payout from student aid funds places an added burden on general funds to make up the difference. The student aid funds comprise approximately 23% of endowment funds invested in the Merged Pool.

In February, the trustees agreed to maintain a higher payout per share for student aid funds with the expectation that the bifurcated payout rates would converge over the next few years. In 2021/22 payout to individual student aid funds and to individual non-student aid funds will increase by 2.5% and 6.0%, respectively. In past years we have used a particular smoothing methodology as the basis for setting payout per share. For 2021/22, the trustees adopted a lower payout per share than the regular smoothing rule would suggest due to continuing concerns over investment market valuations and the possibility of a market correction.

The 2.5% growth rate in payout to student aid funds will help fund higher costs for undergraduate student aid, increases in research and teaching assistantships, and higher stipend rates. The 6.0% growth rate in payout to other endowment funds will mitigate the most harmful impacts of recent budget cuts and allow for some investment in critical priorities.

While payout to most individual MP endowment funds will only grow by 6.0%, total MP payout is expected to increase by 9.7% in 2021/22 due to new gifts to endowment principal during the remainder of the current year and throughout 2021/22. Next year's payout will also be impacted by schools and departments transferring \$41.8 million from expendable balances to endowment principal, as well as net additions to the Tier II Buffer of roughly \$557 million, at the end of the current fiscal year. The additions to the Tier II Buffer stem from two primary drivers: 1) strong investment returns that will generate \$660 million in expendable funds pool earnings and be invested in the Tier II Buffer at the end of 2020/21 and 2) an offsetting withdrawal of \$150 million previously approved by the Board to cover expenses related to COVID-19. The total impact of the pandemic is expected to be much higher than that early authorization, and a larger withdrawal will be requested later this year when the full costs are known.

Of the total endowment income, \$308.0 million or 22% is unrestricted and a source of general funds. The unrestricted endowment income includes payout from unrestricted MP funds, income generated from Stanford endowed lands, and a small amount of other specifically invested endowment income.

Other Investment Income — Other investment income is projected to increase 5.4%, from \$332.7 million in 2020/21 to \$350.7 million in 2021/22. Other investment income comprises two categories of revenue: \$232.6 million in payout to operations from the expendable funds pool (EFP) and the

THE EXPENDABLE FUNDS POOL AND THE BUFFERS

Most of Stanford's non-endowed funds are collectively known as the expendable funds pool (EFP). Unspent tuition dollars, unit budget savings, clinical revenues received by the School of Medicine, faculty discretionary accounts, and auxiliary reserves are examples of expendable funds in the EFP, the total of which is projected to be \$4.9 billion at the end of 2021/22. Between \$50 and \$250 million of the EFP is invested in cash vehicles for short-term needs. The remainder is invested in the Merged Pool (MP). As a result, the returns on the EFP closely follow the returns on the MP.

Ninety-eight percent of the 25,000 funds in the EFP, equaling 86% of the total balance, receive no payout or investment return. Rather, a variable payout of 0% to 5.5% on the balances of these so-called zero-return accounts, based on the actual EFP investment returns during the prior fiscal year, is paid to general funds, both centrally and to the School of Medicine and the Graduate School of Business. The remaining funds, including the debt recycling pool, insurance and benefits reserves, student loan funds, certain plant funds, agency funds, gifts pending designation, and some restricted funds, receive a payout equal to a money market return. It is important to note that the balances of all the expendable funds invested in the EFP are guaranteed by the university, regardless of financial market conditions.

How does the university provide this guarantee? In years when the investments of the EFP are greater than the payout obligation to the money market return funds, general funds, the School of Medicine, and the GSB, the excess EFP return is first directed to the Tier I Buffer, until it reaches a balance equal to 35% of the total EFP value, and then to the Tier II Buffer. In the event that EFP returns are insufficient to cover the stipulated allocations to operations, the shortfall is withdrawn first from the Tier I Buffer, up to 20% of the Tier I balance, and then from the Tier II Buffer. Additionally, if investment returns are negative, causing the balance of individual funds to decline, the buffers are used to restore individual fund balances.

The buffers are funds functioning as endowment, and as such generate an annual payout. The Tier I Buffer is unrestricted, and the payout is a source of base general funds. The Tier II Buffer is restricted for use by the president for strategic initiatives. Furthermore, the buffers serve as a financial reserve in the event of an earthquake or other disaster. At the end of 2021/22 the Tier I and Tier II Buffers are projected to reach \$2.0 billion and \$1.7 billion, respectively.

endowment income funds pool (EIFP), and \$118.1 million of investment income from several smaller sources as described below. The projected growth in other investment income in 2021/22 is driven by the projected increase in the balance of the EFP and the expectation of slightly higher interest rates in 2021/22.

Most of the EFP balance is invested in the MP, with a small portion invested in cash vehicles for short-term needs. As a result, the returns on the EFP follow closely the returns on the MP. The investment return on the EFP in 2020/21 is expected to substantially exceed 5.5%, resulting in the maximum payout allowed by policy to the zero-return portion of the EFP in 2021/22. The money market rate is projected to be 1.0% in 2021/22, yielding a total of \$6.5 million for those funds in the EFP that receive a direct payout. The EIFP is expected to earn \$4.0 million and to have a fund balance of \$402.1 million at the end of 2021/22. Further explanation of the EFP is described on the preceding page.

The \$3.9 billion of ending fund balances in the Consolidated Budget for Operations shown on page 4 includes all of the EIFP but only \$3.5 billion of the \$4.9 billion projected EFP. Plant and debt pool fund balances, as well as student loan, pending, and agency funds, are part of the EFP, but these fund balances are not represented in the Consolidated Budget.

The non-EFP portion of other investment income comprises \$40.1 million in investment income distributed to support the operations of the Stanford Management Company; \$29.3 million in interest income on the Stanford Housing Assistance Center (SHAC) portfolio; \$20.6 million from Stanford Health Care and Stanford Children's Health; and \$28.1 million in miscellaneous other investment income, including rents from the Sand Hill Road Offices, securities lending, and other interest income.

Special Program Fees and Other Income

Revenue from special program fees and other income is budgeted at \$560.7 million in 2021/22, an increase of 38.9% over the expected level in 2020/21. This category is a collection of revenue streams that includes executive education, pre-collegiate, and professional certificate fees; technology licensing and patent income; industrial affiliate program membership fees; ticket, admission, and broadcast fees for athletic and other events; conference and symposium revenues; rental income from Stanford West, Colonnade, The Cardinal, and Welch Road apartment complexes; and participation fees collected by the travel/study programs. With the exception of

student income, special program fees and other income was the revenue category hardest hit by COVID-19, as most of the activities that generate income in the category were curtailed or shut down by the pandemic. Next year's projected strong growth assumes that most, but not all, of these activities will recover in 2021/22. In particular, the GSB is budgeting an increase of \$29.0 million in executive education that will bring it to pre-pandemic levels. The resumption of varsity sports is expected to generate an additional \$34.0 million, doubling the amount of ticket, admission, and broadcast fees generated in the current year. R&DE projects a ramp-up of enterprise business revenue from retail, concessions, catering, and executive dining; and Stanford Alumni Association is budgeting an increase of \$22.6 million for the return of Travel Study and other revenue-generating programs in 2021/22.

Expenses

Total Compensation

Total Compensation in the Consolidated Budget for Operations includes faculty, staff, bargaining unit, and student assistantship salaries; fringe benefits; tuition benefits for research and teaching assistants; and other non-salary compensation such as bonuses and incentive pay. Total compensation in 2021/22 is budgeted to be \$4,491.0 million, an 8.3% increase over the 2020/21 year-end projection of \$4,148.0 million. The strong rebound in compensation expenses is expected after salary rates were held constant and units reduced headcount to meet budget reduction targets in 2020/21.

Salaries — Total salary expense for faculty and staff, including SLAC, is expected to grow by 8.1% in 2021/22 to \$2,808.5 million. Overall, projected salary expense in 2021/22 is the result of the market-based, university-wide salary program and assumed headcount growth for both faculty and staff. The salary program is designed to recognize individual performance as well as address market, equity, or retention issues. Both faculty and staff headcount are expected to grow more rapidly in 2021/22 than in recent years. Driving this growth are the expansion of a number of Long-Range Vision initiatives; the School of Medicine's plans to add 24 faculty and roughly 100 clinician educators in support of its clinical and research enterprise; and hiring of additional staff in support of the enrollment surge, ramped up fundraising efforts, and a variety of other academic and administrative needs.

Like past years, the approved salary program takes into consideration the financial condition of the university as well as the status of the current labor market. The annual salary program

is guided by the university's compensation philosophy, which is to set faculty salaries at a level that will maintain Stanford's competitive position both nationally and internationally for the very best faculty, and to set staff salaries competitive within the local employment market in order to attract and retain top talent. Analysis of department-level faculty salary data shows that Stanford is achieving a competitive faculty salary position in most areas. The annual review of salary survey data in several local markets indicates that staff salaries are in line with market median salaries as of September 2020.

Each year a minimum salary is set for research assistants and teaching assistants, although departments and programs may choose to pay more than the minimum. The goal is for graduate students' income to provide sufficient financial support to meet the estimated non-tuition living expenses for a single graduate student living in university housing. The minimum salary for assistantships will increase by 3.25% in 2021/22.

Fringe Benefits — Fringe benefits expense is budgeted at \$942.9 million in 2021/22, an increase of 11.7% from 2020/21. This is a rate of growth somewhat higher than the growth in the salary and wage base for all employee groups due primarily to a substantial increase in the regular fringe benefits rate applied to most employees.

The university tracks the benefits costs separately for four distinct employee groups and charges a different rate for each group based on the types of benefits that each is eligible to receive. The federally negotiated rates are calculated as a ratio of total benefits costs to total payroll for each group:

- Regular benefits-eligible employees
- Postdoctoral research affiliates
- Casual/temporary employees
- Graduate research and teaching assistants

In addition, the university applies an additional rate, the supplemental rate, to eligible faculty and staff salaries to recover the costs that the federal government does not allow in the negotiated regular benefits-eligible employee (RBE) fringe rate. The supplemental rate is not applied to faculty or staff salaries that are charged to government sponsored projects or academic service centers. For many years, the supplemental rate, formerly called the TGP rate, was used solely to recover the costs of the tuition grant program (TGP), which provides undergraduate college tuition benefits for the dependents of eligible faculty and staff. In 2018/19 the university included pension-related expenses disallowed in the RBE fringe rate. In

2020/21 the federal government disallowed a portion of health insurance costs, as well as some faculty and staff recreation costs, proposed in the RBE rate, and these costs were added to the supplemental rate. The supplemental rate is set at 3.45% in 2021/22, and the associated costs are projected to be \$72.8 million of the university's total fringe benefits expense.

FRINGE BENEFITS RATES

	2020/21	PROPOSED 2021/22
Regular Benefits-Eligible Employees	29.0%	30.0%
Postdoctoral Research Affiliates	25.1%	25.3%
Casual/Temporary Employees	8.1%	7.9%
Graduate RAs and TAs	5.3%	5.3%
Supplemental Rate	3.25%	3.45%

The fringe benefits for regular benefits-eligible employees (RBE) comprise 87% of the total benefits expense. The proposed rate for this group in 2021/22 is expected to increase a full rate point over the negotiated rate for 2020/21 to 30.0%. The rate for postdoctoral research affiliates is projected to increase 0.2 rate points; the rate for casual or temporary employees is expected to decrease 0.2 rate points, and the rate for graduate teaching and research assistants is unchanged.

The major cost components contributing to the RBE rate and changes expected in 2021/22 are noted below:

- Employee health plans comprise 35.5% of the total RBE fringe benefits pool and are projected to cost the university \$287.3 million in 2021/22, reflecting an increase of 24.6% from the 2020/21 negotiated health plan amount. The federal government disallowed a substantial portion of the expected health plan costs in the 2020/21 negotiated rate because they expected COVID-19 to drive lower overall utilization of health care benefits. The proposed rate for 2021/22 includes normal utilization of the health plan benefits, resulting in an increase of 1.4 rate points from the 2020/21 negotiated rate.
- Retirement programs comprise almost 50% of the overall RBE fringe benefits expense and are projected to increase by 6.8% to \$393.4 million in 2021/22. More than half of the retirement program expense is for the Stanford Contributory Program, a program designed to help employees save for retirement through individual investment combined with a generous matching contribution by the university. The other significant retirement program expense is payroll taxes, which include Social Security and Medicare. Expenses for

the Stanford Retirement Annuity Program (SRAP), a legacy program that was closed to new employees many years ago, will reduce by over 75%.

- Faculty sabbatical leave expense is expected to grow by 19.7% in 2021/22 primarily driven by the special one-time sabbatical enhancement, which allows senior faculty members to accrue double sabbatical credits in 2020/21.
- As recommended by the Affordability Task Force, the Child Care Affordability program will be enhanced to provide up to \$5,000 in after-tax awards, nearly doubling the cost of this program and resulting in an increase of 0.1 rate points.

Financial Aid

Stanford expects to spend a total of \$408.9 million on student financial aid for undergraduate and graduate students in 2021/22, a 6.6% increase over the 2020/21 projection of \$383.7 million. Endowment income (\$245.8 million) provides 60% of the funding for student financial aid, and general funds (\$94.8 million), which supports an ever-growing fraction, will provide 23%. Designated funds, gifts, and grants and contracts will fund the remainder.

Undergraduate Aid — In 2021/22 Stanford students are projected to receive \$212.6 million in undergraduate need-based scholarships from Stanford resources. In addition, students will qualify for \$8.0 million in federal grants, mostly Pell and Supplemental Educational Opportunity Grant (SEOG) awards, which is continuing an upward trend. Cal Grants, which are not reflected in the Consolidated Budget for Operations as they

are awarded directly to the students, will provide \$3.1 million, a slight increase due to the anticipated increase in the number of students receiving aid.

Undergraduate need-based financial aid expense will increase 7.1% over the projection for 2020/21, a rate that is six points higher than the growth in students' standard costs, due to several factors. Even though tuition will not increase in 2021/22, the policies defining need have been revised; a higher proportion of Stanford students will apply for and qualify for need-based aid; and the size of the freshman class will increase significantly due to the enrollment of students who took a gap year in 2020/21.

Stanford has long been committed to need-blind admissions supported by a financial aid program that meets the demonstrated financial need of all admitted undergraduate students. Since 2008/09 one of the hallmarks of the need-based program has been simple benchmarks that make it easy for prospective students, particularly from low-income backgrounds, to understand likely financial support from Stanford. For 2021/22 these benchmarks have been updated as follows:

- For families with total annual income below \$75,000 and typical assets for this income range, Stanford will not expect a parent contribution toward educational costs. Tuition, room and board, and other expenses will be covered with scholarship or grant funds.
- For families with total annual income below \$150,000 (prior to 2020/21 this threshold was \$125,000) and typical assets

UNDERGRADUATE NEED-BASED SCHOLARSHIP AID

[IN MILLIONS OF DOLLARS]

SOURCE OF AID	2017/18 ACTUAL	2018/19 ACTUAL	2019/20 ACTUAL	2020/21 PROJECTED	2021/22 PLAN
Department Funds and Expendable Gifts	3.3	3.5	2.3	2.7	2.7
Endowment Income	106.8	112.5	114.3	119.4	124.1
The Stanford Fund	20.4	19.8	20.5	20.1	20.6
General Funds	22.7	28.7	31.3	56.4	65.2
Subtotal Stanford Funded Scholarship Aid	153.1	164.4	168.4	198.5	212.6
Federal Grants	6.3	6.7	6.8	7.5	8.0
Total Undergraduate Scholarship Aid	159.5	171.2	175.2	206.0	220.5
General Funds as a Share of Stanford Funding	15%	17%	19%	28%	31%
President's Funds as a Share of Stanford Funding	13%	12%	12%	10%	10%
Endowment Funds as a Share of Stanford Funding	70%	68%	68%	60%	58%
Number of Students	3,242	3,329	3,380	3,350	3,627

2021/22 FINANCIAL AID AND OTHER GRADUATE STUDENT SUPPORT FROM STANFORD RESOURCES

[IN MILLIONS OF DOLLARS]

2020/21 PROJECTION		GENERAL FUNDS	DESIGNATED AND RESTRICTED	GRANTS & CONTRACTS	2021/22 TOTAL
Student Financial Aid					
206.5	Undergraduate	65.2	147.4	8.5	221.1 ¹
28.8	UG Athletic		29.7		29.7
148.4	Graduate	29.6	116.3	12.2	158.1
383.7	Total	94.8	293.4	20.7	408.9
Other Graduate Support					
112.4	Stipends & Health Insurance Surcharge	23.0	72.7	25.1	120.8
96.0	Tuition Allowance	46.2	31.4	19.3	96.9
134.9	RA/TA Salary and Benefits	31.9	58.0	49.4	139.3
343.3	Total	101.1	162.1	93.8	357.0
205.7	Postdoc Support	8.4	69.1	145.8	223.3
932.7	Total Student Support	204.3	524.6	260.3	989.2

¹ This number is \$500,000 higher than the Stanford Funded Scholarship Aid figure in the previous table because it includes federal grants for non-need-based aid recipients.

for this income range, the expected parent contribution will be low enough to ensure all tuition charges will be covered with scholarship or grant funds.

- Families at higher income levels continue to qualify for assistance based on their individual circumstances, including family income, assets (other than equity in the primary residence), cost of living, family size, and number of family members in college.

Since March 2020, Stanford has tried to accommodate the needs of students working remotely and assist families who have been impacted economically due to the pandemic. This additional assistance may need to continue, at least in the short term.

Stanford's financial aid program continues to be one of the most generous in the country, ensuring that a family's economic circumstances will not prevent admitted students from enrolling.

The table on the facing page shows the detail of undergraduate need-based scholarship aid. Schedules 8 and 9 in the Appendix provide supplemental information on undergraduate financial aid.

Athletic scholarships, which are not need-based, will be awarded to undergraduate students in the amount of \$29.7 million in 2021/22, a 3.2% increase over the projection for the current year.

Graduate Aid — In 2021/22, Stanford estimates \$515.1 million will be provided in total financial support to graduate students. The table above illustrates the primary components of financial support for graduate students. Graduate financial aid, which represents the tuition component of a fellowship, is projected to increase by 6.5% to \$158.1 million with the return of full graduate enrollment in 2021/22. This portion of graduate student support is captured in the Financial Aid line of the Consolidated Budget on page 4.

The other three components of graduate student financial support are stipends, tuition allowance, and salary and benefits for research and teaching assistantships (RA/TA). In aggregate, they will provide an estimated \$357.0 million in support of graduate students in 2021/22, an increase of 4.0% over 2020/21. Stipends and associated fees are expected to grow by 7.5% as the Knight-Hennessy Scholars program adds 85 scholars in a fourth cohort, gift funding replaces debt for the medical education program, and stipend rates rise commensurate with the increase in minimum RA and TA salary rates. As discussed in the Compensation section, the minimum rate for RA and TA salaries will increase by 3.25% in 2021/22. The anticipated growth in RA and TA salary and benefits expense is commensurate with this increase. Tuition allowance, which is the tuition benefit for students who hold an assistantship appointment, is projected to increase by only 0.9%, since graduate tuition rates are not increasing, and the

total number of RAs and TAs is expected to grow minimally. To align with the presentation of Stanford's financial statements, the Consolidated Budget table on page 4 includes tuition allowance and assistantship salary and benefits in Compensation, while stipends and other fees are reflected in Other Operating Expenses.

Graduate student support is funded by all of Stanford's various fund types. Restricted funds (gifts and endowment) contribute the most at 49%, followed by unrestricted general funds at 25%, grants and contracts at 21%, and the remaining 5% by unrestricted designated funds. In aggregate, these proportions have largely stayed consistent in recent years. However, the distribution of funding varies substantially within the schools. Not surprisingly, grants and contracts provide a significantly higher proportion of graduate student funding in the research-intensive schools like Medicine and Engineering. The professional schools, on the other hand, rely almost exclusively on restricted funds.

Stanford also provides support to postdoctoral research affiliates, 60% of whom work in the School of Medicine. Sponsored research funding is projected to provide 65% of support for all postdocs. Postdocs are charged a tuition fee of \$125 per quarter, which is mostly covered by school funds as well as by general funds. Postdocs receive a salary or a stipend, as well as health benefits, in exchange for their work. The total expense for postdocs is expected to be \$223.3 million in 2021/22, an increase of 8.6% over 2020/21.

Schedule 5 in the Appendix details actual graduate student and postdoc expense by source of funds in 2018/19 and 2019/20.

Internal Debt Service

Stanford issues debt securities in the capital market to finance capital projects and to provide bridge financing for the future receipt of gifts for capital projects. Internal loans are advanced to projects and amortized generally over the useful life of assets in equal installments. These internal loans are assessed the Budgeted Interest Rate (BIR), which is a weighted average rate of the debt issued to finance capital projects and includes bond issuance and administrative costs. The BIR is set at 3.75% for 2021/22, no change from the rate in 2020/21.

Internal debt service in the Consolidated Budget is forecast to be 6.2% higher at \$281.6 million in 2021/22, a \$16.3 million increase from the level in 2020/21. It includes debt service incurred on the internal loans used to finance capital projects and bridge finance the receipt of gifts. The main drivers for the

\$16.3 million increase are recently completed projects that will begin incurring a full year of debt principal and interest costs in 2021/22, such as Escondido Village Graduate Residences and the Center for Academic Medicine 1 (CAM 1), and new projects anticipated to incur debt service in 2021/22.

Other Operating Expenses

Other operating expenses include all non-salary expenditures in the Consolidated Budget except financial aid and internal debt service. This category, which accounts for nearly 28% of university consolidated expenses, will total \$1,967.5 in 2021/22, increasing by 9.4% from the projected 2020/21 level. The accelerated growth is primarily a result of university activity rebounding after a year that was impacted by the restrictions required due to COVID-19. In addition, expenses from SLAC's construction program will increase due to the ramp-up of several projects. Excluding SLAC construction costs, other operating expenses are budgeted to increase by 8.9%.

OTHER OPERATING EXPENSES

[IN MILLIONS OF DOLLARS]

MAJOR COMPONENTS	2020/21 PROJECTION	2021/22 BUDGET	PERCENT CHANGE
SLAC Non-Salary	223.3	252.4	13.0%
Materials and Supplies	283.3	332.6	17.4%
Professional Services	279.4	264.1	-5.5%
General Services	152.6	151.4	-0.8%
Stipends and Other Aid	186.3	199.4	7.0%
Repairs and Maintenance	135.7	148.7	9.6%
Other	537.9	618.9	15.1%
Total	1,798.5	1,967.5	9.4%

The largest component of other operating expenses is materials and supplies, totaling \$332.6 million in 2021/22. More than 40% of these expenses are for the purchase of materials and supplies in laboratories and research settings. Due to its research-intensive nature, the School of Medicine is the largest source of activity in this category, though it is not the major driver for the 17.4% increase. Stanford Alumni Association, whose Travel Study programs were shut down due to the impact of COVID, anticipates a 541% or \$15.8 million increase in spending as programs and events mostly return to pre-pandemic levels. Residential & Dining Enterprises also anticipates a 15.8% or \$4.8 million increase in expenses with dining and retail costs picking back up. Nearly all other units expect

significant increases in costs as departments and programs return to more normal levels of campus activity.

Expenses for professional services are the second largest component. Mostly comprising legal, accounting, and consulting services, this expense category is projected to decrease 5.5% in 2021/22 to \$264.1 million. This decrease is due to one-time costs related to COVID-19 in 2020/21 that are planned to subside in 2021/22, including surveillance testing (estimated to cost \$44 million in 2020/21) and childcare center operations (estimated at \$6.9 million). However, other areas such as the Graduate School of Business and Vice President for the Arts are anticipating increases in professional services above inflationary growth as activities return that were put on hold during the pandemic. General and administrative services will decline slightly to \$151.4 million, which is a result of lower spending for packing, shipping, and storing of student belongings in Residential & Dining Enterprises as students are expected to return to campus in 2021/22. These expenses represent a diverse range of external payments for non-professional services, including insurance, permits, royalties, marketing, and advertising services.

Also included in other operating expenses are stipends for graduate students and postdoctoral scholars and other non-tuition aid, which are collectively expected to grow to \$199.4 million in 2021/22. Close to sixty percent of expenses in this category are for graduate student stipends that are projected to rise by 7.5% as described in the Graduate Aid section above. Overall, stipends and other aid is projected to increase by 7.0%.

The remaining expenses include external payments for repairs and maintenance (\$148.7 million); services purchased from Stanford Health Care and Stanford Children's Health (\$103.2 million); payments for rentals and leases (\$92.7 million); sub-contracts (\$88.9 million); capital equipment expense (\$79.8 million); external payments for telecommunications and utilities (\$62.3 million); and library materials (\$35.4 million). An additional \$156.6 million includes travel and food expenses incurred across the university.

Utilities — Total campus utilities expenses include utilities purchased from external providers, as well as the university service center costs for generating and delivering electricity, heating, cooling, water, and sewer to the campus. In 2021/22, the budget for total campus utilities, including commodities and distribution expenses, is \$129.1 million, an increase of 5.7%. Nearly eighty percent of the expense is incurred in the service

center, which provides utilities to most of the campus and portions of the two hospitals and is operated by Land, Buildings and Real Estate (LBRE).

The service center has three primary components: 1) externally purchased utilities (33%), 2) debt amortization of capital expenditures (39%), and 3) operations and maintenance in support of utility delivery (28%). Based on the relative costs of these components and the expected consumption, a charge-out rate is set for each utility.

The consolidated utility service center budget is expected to increase by \$3.0 million, or 3.1%, to \$98.9 million in 2021/22. The increase is largely due to planned infrastructure renewal for the water systems utilities (domestic water, lake water, and sewage) and anticipated higher ground water pumping fees offset by an \$826,000 decrease in the energy systems due primarily to a 15% decrease in electricity costs. Thirty-seven percent of the utility service center budget will be funded by general funds on behalf of the non-formula and administrative units.

Stanford's energy utilities, including electricity, steam/hot water, and chilled water, have undergone significant changes in recent years, including completion of the Stanford Energy System Innovations (SESI) project in 2015, and three 25-year Power Purchase Agreements (PPAs) to buy clean solar power. When the third of these solar power projects comes online in mid-2022, Stanford's electricity portfolio will be 100% carbon free, well ahead of the state law requiring the California grid to be 100% carbon free by 2045. This third project also includes a battery energy storage component to better match the project's output to electricity demand. In addition, Stanford is currently expanding SESI to nearly double its cooling capacity to serve campus cooling needs.

In addition to the utility service center expense, the consolidated budget includes an additional \$30.2 million for utilities expense purchased from external providers, including the City of Palo Alto, Redwood City, and a combination of both Electric Service Provider and third-party gas contracts. Roughly a third will be paid by the School of Medicine for utilities at the Stanford Research Park and Medical Center properties; Residential & Dining Enterprises budgeted \$4.6 million to cover the utility needs at Munger, Escondido Village, and off-campus housing units; and another \$1.7 million is budgeted for utilities in common areas and vacant units of Stanford West, Welch Road, Colonnade, and The Cardinal apartments.

Operations & Maintenance — Operations & Maintenance (O&M) includes grounds maintenance, custodial, trash, recycling, elevator repair, gutter maintenance, re-lamping, and other services along with preventive and reactive maintenance on buildings, infrastructure, equipment, and vehicles. The total O&M budget for the university is projected to be \$229.4 million in 2021/22, rising 10.7% from 2020/21. Nearly 75% of O&M expense is incurred in LBRE, Residential & Dining Enterprises, and the School of Medicine. While the latter half of 2020/21 has brought a slow and steady recovery from the worst months of the pandemic, students' return to campus in 2021/22 will result in O&M levels significantly higher than 2019/20 (\$174.1 million).

The largest component in the O&M budget is external payments for repairs and maintenance, which is a subset of Other Operating Expenses discussed above. It will increase 10.0% to \$138.1 million in 2021/22.

The total O&M budget also encompasses significant expenses that are found in other lines of the Consolidated Budget:

1) \$38.5 million of internal O&M services performed by the service centers in LBRE, including most of the grounds services for the campus, approximately 50% of the building maintenance, and 100% of the infrastructure maintenance (e.g., storm drains and roads). With the plan to re-introduce students for all of 2021/22, O&M services are expected to rebound to pre-pandemic levels. These service center expenses are reflected in the Other Internal Transfers line of the Consolidated Budget, described below.

2) \$35.0 million of labor costs for O&M staff hired by individual units. Roughly two-thirds, \$22.6 million, resides in Residential & Dining Enterprises (R&DE), which employs bargaining unit staff to perform custodial and maintenance services in support of the residences. With the opening of Escondido Village Graduate Residences and increased cleaning needs driven by COVID-19, R&DE's labor costs are forecast to increase by 22%. The labor costs are captured in the compensation line of the Consolidated Budget.

3) \$7.2 million of other non-salary expenses directly associated with the provision of O&M services. They principally include costs for temporary services, contract administration, and equipment rentals for performing O&M. They are dispersed across a variety of other operating expense items in the Consolidated Budget.

4) \$10.6 million of services charged by Stanford Health Care, virtually all incurred by the School of Medicine, for hospital security and maintenance costs.

Transfers

The transfers section of the Consolidated Budget for Operations accounts for the transfers of funds between units, between fund types, and out of the Consolidated Budget altogether, and yields the change in fund balances expected in each fund type and in the Consolidated Budget as a whole. In 2021/22, transfers result in a net reduction from operating results of \$192.2 million.

The schools, administrative departments, and central administration authorize movements of funds out of operations to create other types of assets. These assets include student loan funds, funds functioning as endowment (FFE), capital plant projects or reserves, and funds held in trust for independent agencies such as the Howard Hughes Medical Institute, the Carnegie Institution, and the Associated Students of Stanford University. These transfers to and from assets vary widely from year to year, and a single transaction can greatly affect these numbers and the resulting bottom line of the Consolidated Budget. Using information provided by budget units, and combining that information with central administration commitments, the Consolidated Budget for Operations adds or subtracts these transfers from the operating results (revenues less expenses).

■ **Transfers to Endowment Principal** — This line represents transfers of expendable funds to endowment principal that create FFE, or withdrawals of FFE to support operations. In 2021/22 Stanford is projecting that a net \$41.8 million will be transferred to FFE from current operating funds. This figure is informed by the units' individual budget plans and is significantly lower than the historical average. The lower amount is consistent with reduced endowment payout and budget reductions taken across the university in 2020/21. Furthermore, schools and departments often identify excess funds to invest in FFE during the year-end process when their operating results are known, and they may not include these actions in their budget plans.

■ **Transfers to Plant** — The transfers in this category are primarily for capital projects. Total transfers to plant of \$142.8 million are planned for 2021/22. The majority, \$102.3 million, are transfers made from central university funds and

include \$83.7 million from the Capital Facilities Fund (see more on the CFF in Chapter 4) and \$12.1 million from the Facilities Reserve to support a variety of smaller projects in the schools. Land, Buildings and Real Estate expects to transfer \$10.5 million from the Planned Maintenance Program for capital renewal projects. The School of Medicine plans to transfer \$9.8 million to support the 1215 Welch Road Building project and \$9.4 million for tenant improvements at newly acquired leased properties. The School of Engineering will transfer \$9.6 million in support of the Gates renovation, the Bridge Complex, and faculty lab fit-ups. The remainder is made up of smaller amounts transferred from various units to capital projects such as lab fit-ups, equipment fabrication, and renovations.

- **Other Internal Transfers** — Additional financial activity affects the net results of the Consolidated Budget, including internal revenue and internal expense, which are generated from those charges that are made between departments within the university for services provided through charge-out mechanisms. Communication services provided by University IT in Business Affairs to university departments are one type of internal revenue and expense. Another is the charge that the Department of Project Management (the group that manages construction projects on campus) allocates to capital projects that use their services. These charges contribute to the revenue and expense of individual departments and fund types but, ultimately, are netted against each other in the presentation of the Consolidated Budget to avoid double counting. There is, however, a net \$7.5 million of internal transfers flowing out of the Consolidated Budget, primarily to student loan funds, such as the loan forgiveness programs in the Graduate School of Education and Law School. It also includes any transfers from living trusts and pending funds.

GENERAL FUNDS

The general funds budget is an essential part of the Consolidated Budget. General funds are unrestricted, supporting a significant fraction of salaries, as well as the necessary administration and infrastructure for all core university activities. The main sources of general funds are student income, unrestricted endowment income, income from the expendable funds pool (EFP), and indirect cost recovery from sponsored activity. Each school receives an allocation of general funds in addition to their restricted and designated fund revenues. Administrative units are supported almost entirely by general funds.

General funds revenue in 2021/22 is forecasted to increase by \$161.3 million to \$1,680.3 million, an increase of 11% over the expected level for 2020/21. Tuition and fees will make up 50% of total general funds in 2021/22 but will be the source of 79% of the increase in total general funds. This increase reflects more undergraduate and graduate enrollments anticipated in 2021/22, which are anticipated to recover as more students return to campus after a year with lower than normal enrollments (being severely impacted by COVID-19).

2021/22 NON-FORMULA GENERAL FUNDS

Based on internal agreements, \$219.0 million of general funds revenue will be directed to the School of Medicine, the Graduate School of Business, and other units. The remaining \$1,461.2 million of general funds are allocated by the provost to non-formula units.

During the annual general funds budgeting process, each of Stanford's primary budget units (schools, administrative, and academic support units) meets with the Budget Group, the provost's advisory body composed of senior faculty and administrators, to 1) review the programmatic goals and priorities of the organization; 2) report on financial status and progress of current initiatives; 3) discuss organizational growth and funding plans; and 4) submit requests for incremental general funds. At the end of the process, the provost makes general funds allocation decisions based on a final forecast of available general funds, the units' presentations, and consultation with the Budget Group.

Two important priorities guided decision making in 2021/22: implement a market-based salary program, after a year with a salary freeze, and maintain a base general funds surplus. Both goals were achieved in the end, though limited funds remained for other incremental allocations. The Budget Group identified the following areas and objectives as additional priorities for allocating remaining incremental general funds.

Mission and Research Support — \$7.3 million in general funds will be added to the budget in 2021/22 to support the overarching mission and research of the university, including the themes of the Long-Range Vision. In particular, \$4.0 million was allocated for diversity, equity, and inclusion (DEI): thirteen new faculty were appointed through the Faculty Incentive Fund and Faculty Development Initiative programs; permanent funding was provided to support the student community centers; and a dedicated office was established in University Human Resources (UHR) in support of staff diversity and inclusion. Additionally, \$2.0 million is directed to research and compliance needs, including funds to the Dean of Research to support the Stanford Research Computing Center and regulatory issues, and to Business Affairs to support the Office of Research Administration and complex research agreements. Another \$1.3 million will go toward teaching and student support, including a project to reimagine and upgrade classrooms and additional financial aid to raise the Zero Parent Contribution income level from \$65,000 to \$75,000.

Systems and Administration — \$3.4 million of general funds are focused on strengthening administrative functions and systems infrastructure. Around \$1.5 million will support University IT, the management of enterprise systems, and the centralization of academic software licenses. Other allocations include: 1) funding to UHR to support new FTE specializing in flexible work arrangements, global benefits administration, and employee labor relations, 2) additional base funding needed to shore up central operations of the Office of External Relations, 3) and funding to Business Affairs for two analysts in the Office of the Chief Risk Officer supporting Stanford's evolving global risk management needs.

Facilities — \$1.7 million of general funds will support existing and new facilities. The Environmental Health and Safety office will receive \$450,000 for emergency communications systems maintenance and fire safety and inspection services. \$725,000 will be added to support the operations at the Anderson Collection, and \$130,000 will go toward an FTE in LBRE to support the Space Management program, which accounts for space assignment and use and supports Stanford's indirect cost recovery on federally funded research.

Reserve for the Undergraduate Enrollment Surge — \$17.0 million in general funds are reserved to support the needs associated with the four-year surge of undergraduate enrollment starting in 2021/22. In addition, a Long-Range Vision (LRV) contingency reserve was created several years ago to address LRV initiatives for which fundraising will be unavailable. After allocating \$1.1 million in 2020/21, \$9.4 million remains of this LRV base general funds reserve in 2021/22.

SUMMARY OF 2021/22 BASE GENERAL FUNDS ALLOCATIONS (EXCLUDES FORMULA UNITS)

[IN THOUSANDS OF DOLLARS]

	2020/21 GF ALLOCATION	SALARY & NON-SALARY INFLATION	PROGRAMMATIC ADDITIONS/ (ADJUSTMENTS)	2021/22 GF ALLOCATION	2020/21 TO 2021/22 CHANGE	PERCENT CHANGE
School of Earth, Energy, and Environmental Sciences	14,164	547	116	14,827	663	4.7%
Graduate School of Education	21,110	880	174	22,164	1,054	5.0%
School of Engineering	91,073	2,982	236	94,291	3,219	3.5%
School of Humanities & Sciences	209,463	8,225	1,400	219,089	9,626	4.6%
School of Law	37,478	1,612		39,090	1,612	4.3%
Vice Provost and Dean of Research	57,267	2,459	1,128	60,853	3,587	6.3%
Vice Provost for Graduate Education	14,256	326		14,581	326	2.3%
Vice Provost for Undergraduate Education	22,254	891	204	23,348	1,094	4.9%
Vice President for Arts	4,553	183	725	5,461	908	19.9%
Stanford University Libraries	52,484	2,176		54,661	2,176	4.1%
Total - Academic¹	524,102	20,280	3,984	548,366	24,264	4.6%
Admission and Financial Aid Operations	14,152	590	130	14,872	720	5.1%
Business Affairs ²	157,217	7,633	2,982	167,832	10,615	6.8%
External Relations	53,150	2,655	455	56,260	3,110	5.9%
Land, Buildings and Real Estate ³	16,691	173	480	17,344	653	3.9%
Office of the President & Provost	23,918	952	989	25,859	1,941	8.1%
Stanford Alumni Association	11,076	458		11,534	458	4.1%
Student Affairs	51,649	2,600	832	55,081	3,432	6.6%
University Human Resources	14,280	568	1,514	16,362	2,082	14.6%
Other Units ⁴	30,179	1,273	139	31,590	1,412	4.7%
Central Obligations ⁵	69,621	1,964	267	71,852	2,230	3.2%
Total - Administrative	441,933	18,866	7,788	468,587	26,654	6.0%
Undergraduate Financial Aid	56,531	8,388	300	65,219	8,688	15.4%
O&M and Utilities	108,378	3,120	857	112,356	3,977	3.7%
Debt Service	39,818	(1,613)		38,205	(1,613)	-4.1%
Facilities Reserves ⁶	95,819		(130)	95,689	(130)	-0.1%
Housing Reserve	48,906		978	49,884		
University Reserves ⁷	40,425		15,938	56,363	15,938	39.4%
Total - Other Allocations	389,877	9,895	17,944	417,715	27,839	7.1%
Total Non-Formula Allocations	1,355,911	49,041	29,716	1,434,668	78,757	5.8%
Unallocated Surplus	34,215			26,564	(7,650)	-22.4%
Total Non-Formula General Funds	1,390,126	49,041	29,716	1,461,232	71,107	5.1%

Notes:

¹ For this table, the TA tuition allowance expense budgeted centrally and distributed annually on a one-time basis is redistributed to the academic units according to their individual allocations.

² Property and general insurance allocations are moved from Business Affairs to Central Obligations.

³ Operations and Maintenance (O&M) and Utilities allocations are moved from Land, Buildings and Real Estate to Other Allocations.

⁴ Other Units include general funds allocations for General Counsel, Hoover, SLAC, Athletics, Stanford University Press, and the Stanford Faculty Club.

⁵ Central Obligations include RA tuition allowance and miscellaneous university expenses, property insurance, general insurance, fire contract, Stanford Redwood City and Stanford Research Computing Center allocations.

⁶ Includes the Capital Facilities Fund and the Academic Facilities Reserve.

⁷ Includes Long-Range Vision Contingency and Undergraduate Enrollment Surge Reserves.

PROJECTED STATEMENT OF ACTIVITIES

Stanford University, as a not-for-profit institution and a recipient of restricted donations, uses a fund accounting approach to manage itself internally, reporting that activity in its Consolidated Budget for Operations. Stanford also presents a Statement of Activities (SoA), prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The SoA summarizes all changes in net assets during the year (both operating and non-operating). The table on page 21 compares the Consolidated Budget for Operations with the projected operating results section of the SoA.

The net impact of the adjustments described below decreases the Consolidated Budget's anticipated \$92.3 million surplus by \$98.3 million, resulting in a projected deficit of \$6 million in the Statement of Activities. This is a smaller Statement of Activities deficit than that projected for 2020/21 as the university continues to recover from the financial impacts of the COVID-19 pandemic. The main contributing factors of this smaller deficit are:

- A positive swing in the Consolidated Budget bottom line of \$198.4 million as various revenues that were severely impacted by the pandemic largely recover in 2021/22, partially offset by increased expenses as most university activities are expected to resume at pre-pandemic levels. In addition to the explanations of revenue and expense growth earlier in this chapter, there are more details in the academic and administrative narratives that follow in Chapters 2 and 3.
- Academic grants distributed by Stanford Health Care and Stanford Children's Health are expected to increase \$38.2 million in 2021/22, which contributes to the Consolidated Budget surplus noted above. However, these payments are considered transfers of equity and therefore eliminated in the Statement of Activities, partially offsetting the improved Consolidated Budget bottom line.

In order to understand the specific adjustments that follow, it is important to understand that at Stanford, financial resources are classified into fund groups, which are subject to different legal and management constraints. There are four different categories of funds:

- 1) Current Funds, which include revenue to be used for operating activities—e.g., tuition revenue, sponsored research support, endowment payout, and other investment income;

- 2) Endowment Principal Funds, which include all of Stanford's endowment funds, both those restricted by the donor and those designated as endowment funds by university management;

- 3) Plant Funds, which include all funds to be used for capital projects, such as construction of new facilities or debt service; and

- 4) Student Loan Funds, which include those funds to be lent to students.

The Consolidated Budget for Operations includes only current funds and reflects the sources and uses of those funds on a modified cash basis that matches the way the university manages itself internally. Within current funds, specific funds are further classified by their purpose and level of restriction. The Consolidated Budget for Operations also reflects the transfer of current funds for investment in other fund groups: endowment principal, student loan, and plant funds. For example, a school may transfer operating revenue to fund a future capital project. Similarly, a department may move unspent current funds to endowment principal to build capital for a particular purpose or to maximize long-term investment return on those funds. In both these instances, these funds are no longer available to support operations, so they decrease the Consolidated Budget operating results. These transfers, however, have no impact on SoA operating results, as the net assets of the university have not changed (one form of asset has been converted into another type of asset).

Converting the Consolidated Budget into the Statement of Activities

To convert the Consolidated Budget to the SoA under U.S. GAAP, certain revenue and expense reclassifications, transfers, and adjustments are necessary. These are the necessary adjustments:

- a) **Reclassify Financial Aid.** GAAP requires that the tuition, room and board, and other student fees portion of student financial aid be shown as a reduction of student revenue. In the Consolidated Budget, financial aid is reported as an operating expense. Accordingly, \$408.9 million of student financial aid expense is reclassified as a reduction of student revenues in the SoA.

- b) **Adjust for Health Care Services.** For GAAP purposes, health care services revenues received from the hospitals are reported net of expenses that the hospitals charge the

COMPARISON OF CONSOLIDATED BUDGET AND STATEMENT OF ACTIVITIES, 2021/22

Unrestricted Net Assets

[IN MILLIONS OF DOLLARS]

STATEMENT OF ACTIVITIES		FISCAL YEAR 2021/22			
2019/20 ACTUALS	2020/21 PROJECTED YEAR-END		PROJECTED CONSOLIDATED BUDGET	ADJUSTMENTS	PROJECTED STATEMENT OF ACTIVITIES
		Revenues and Other Additions			
		<i>Student Income:</i>			
383.9	338.4	Undergraduate Programs	433.4		433.4
391.5	381.3	Graduate Programs	413.9		413.9
164.9	126.1	Room and Board	259.1		259.1
(330.0)	(383.7)	Student Financial Aid ^a		(408.9)	(408.9)
610.2	462.1	Total Student Income	1,106.4	(408.9)	697.6
		<i>Sponsored Research Support:</i>			
858.4	889.6	Direct Costs–University	937.7		937.7
278.6	292.9	Indirect Costs	311.9		311.9
1,137.1	1,182.5	Total University Research Support	1,249.6		1,249.6
484.8	534.7	SLAC Sponsored Research	575.2		575.2
1,278.6	1,407.9	Health Care Services ^{b,c}	1,667.6	(188.0)	1,479.7
533.8	551.0	Gifts & Net Assets Released from Restrictions ^d	495.0	36.0	530.9
		<i>Investment Income:</i>			
1,355.1	1,320.5	Endowment Income ^e	1,428.2	(4.7)	1,423.5
287.1	276.2	Other Investment Income ^f	350.7	(57.8)	292.9
1,642.2	1,596.7	Total Investment Income	1,778.8	(62.5)	1,716.4
420.4	405.7	Special Program Fees and Other Income ^e	560.7	6.8	567.5
6,107.1	6,140.6	Total Revenues	7,433.4	(616.6)	6,816.8
		Expenses			
3,962.1	4,069.0	Compensation ^{e,f,g}	4,491.0	(80.6)	4,410.4
		Financial Aid ^a	408.9	(408.9)	0.0
154.9	168.6	Debt Service ^h	281.6	(109.9)	171.7
		Capital Equipment Expense ⁱ	114.1	(114.1)	0.0
437.2	487.2	Depreciation ^j		501.6	501.6
1,511.7	1,583.1	Other Operating Expenses ^{b,e,f}	1,853.4	(114.2)	1,739.2
6,065.9	6,307.9	Total Expenses	7,148.9	(326.1)	6,822.9
41.2	(167.3)	Revenues less Expenses	284.5	(290.5)	(6.0)
		Transfers			
		Additions to Endowment Principal ^k	(41.8)	41.8	
		Other Transfers to Assets ^k	169.0	169.0	
		Net Internal Revenue/Expense ^l	18.6	(18.6)	
0.0	0.0	Total Transfers	(192.2)	192.2	0.0
41.2	(167.3)	Excess of Revenues Over Expenses After Transfers	92.3	(98.3)	(6.0)

university. The Consolidated Budget presents these revenues and expenses on a gross basis. This adjustment results in a reduction of \$103.2 million in both Other Operating Expenses and health care services revenue, with no net change to the bottom line.

c) **Eliminate Hospital Equity Transfers.** Payments received from the hospitals for which no services are required to be provided by the university are considered transfers of equity between the university and the Hospitals and are not included in operating revenue in the SoA. These include contributions by Hospital construction projects to the Stanford Infrastructure Program and academic grants prescribed by the inter-entity agreements between the university and the hospitals. In the Consolidated Budget, these items show as health care services income. This adjustment and a small offsetting revenue adjustment for the PET/CT clinic at Stanford Health Care removes \$84.8 million of revenue.

d) **Include Net Assets Released to Other Types of Funds.** The Consolidated Budget includes net assets released to current funds, such as payments on gift pledges made in prior fiscal years. The SoA also includes pledge payments to other types of funds such as plant and endowment principal as well as net adjustments to overall pledges as prior pledge promises are fulfilled and future pledge promises are made. The SoA also records payout from term-limited (i.e., not permanent) endowment in this category, while the Consolidated Budget captures that activity as endowment income. Including these Net Assets Released adjustments results in a \$36 million addition to Gifts and Net Assets Released from Restrictions.

e) **Adjust Endowment Income.** The SoA includes \$7.1 million in revenue and \$6.7 million in expense for the Sierra Camp that is run as a separate limited liability corporation, including \$254,000 of endowment income. Also included is \$1.2 million of income to plant and pending awards, while income from term-limited endowments is removed from this category and instead included in Net Assets Released, as noted above. The net effect of these adjustments reduces Consolidated Budget endowment income by \$4.7 million.

f) **Adjust Other Investment Income.** Included in the Consolidated Budget revenues and expenses are \$39.8 million of expenses for the Stanford Management Company (SMC) and Real Estate Operations within Land, Buildings & Real Estate. For GAAP purposes, these expenses, incurred as part of the generation of investment returns, are netted against in-

vestment earnings. This adjustment reduces Other Investment Income, as well as reducing \$27.2 million from compensation and \$12.6 million from non-compensation expenses, with no net change to the bottom line. In addition, the hospitals' \$20.6 million contributions toward operations of the Stanford Redwood City campus are removed, as they represent an equity contribution to the university. Finally, \$2.9 million of investment income in non-current funds awards is added to the SoA.

g) **Adjust Compensation Expenses.** The Consolidated Budget reports fringe benefits costs based on the fringe benefits rates charged on salaries; the rates may include over- or under-recovery of actual costs from prior years. The SoA reflects only current year expenses for fringe benefits, so the over- or under-recovery amount has to be removed from Compensation. The SoA also includes accruals for certain benefits, such as pension and post-retirement benefits that are required by GAAP to be shown as expense in the period the employee earns the benefit. In addition to these GAAP adjustments, compensation expenses for the Sierra Camp are added to the SoA, while the compensation expenses for SMC and Real Estate Operations are removed. The net impact of these adjustments reduces SoA expenses by \$80.6 million.

h) **Adjust for Debt Service.** The Consolidated Budget includes all internal debt service, reflecting funds used to amortize principal and interest. Per GAAP, interest expense is reported in the SoA but repayment of principal is reported as reductions in Notes and Bonds Payable in the Statement of Financial Position. GAAP amounts also include interest payments for the Rosewood Hotel and Sand Hill Road Offices, which are not included in the Consolidated Budget. Finally, the SoA includes interest accretion expense to recognize the university's future obligation to repurchase faculty homes that sit on Stanford lands. Debt Service is therefore reduced by the amount of internal principal amortization; increased for Rosewood Hotel and Sand Hill Road Offices interest; increased for repurchase obligation interest accretion; and adjusted to account for the difference between internal and external interest payments—a net reduction of \$109.9 million.

i) **Remove Capital Equipment purchases.** Purchases of capital equipment are recorded in the Consolidated Budget as an expense, while they are recorded as assets on the Statement of Financial Position to be depreciated over time. Removing these equipment purchases eliminates \$114.1 million from Consolidated Budget expenses.

j) **Record Depreciation expense for current year asset use.** The SoA includes the current year depreciation expense related to capital assets, such as buildings, land improvements and previously purchased capital equipment. This adjustment adds \$501.6 million in expense to the SoA.

k) **Eliminate Fund Transfers.** The Consolidated Budget includes transfers of \$210.8 million of current funds to other fund groups, including plant, student loans, and funds functioning as endowment. These transfers are removed for the SoA.

l) **Eliminate Net Internal Revenue/Expense.** As noted above, the SoA includes the activity of all fund groups, while the Consolidated Budget only includes current funds activity. Therefore, the net inflow of \$18.6 million from plant and student loans funds into the Consolidated Budget for purchases of internal services is eliminated for the SoA.

CHAPTER 2

ACADEMIC UNITS

OVERVIEW OF ACADEMIC UNITS

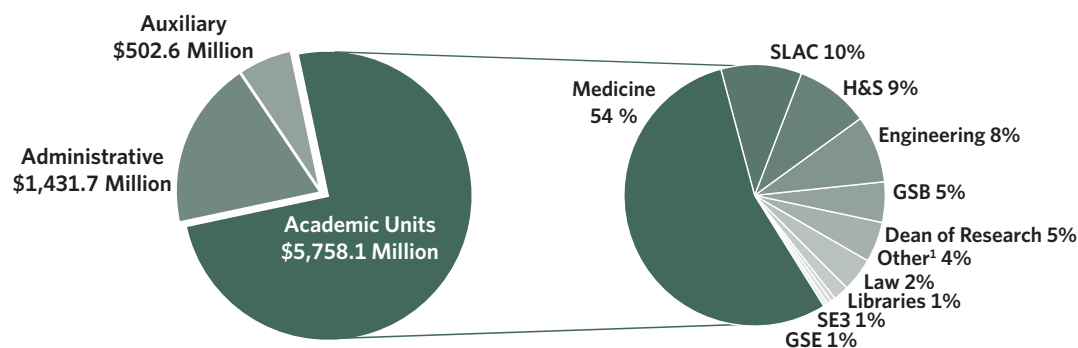
This chapter summarizes programmatic and financial activity for each academic unit. The revenue expectation in 2021/22 for these academic units comprises nearly 78% of the university total revenue. Overall, the academic units project an operating surplus of \$74.1 million. After transfers to plant and endowment, the academic units overall will achieve a \$34.3 million surplus.

CONSOLIDATED BUDGET FOR OPERATIONS BY UNIT, 2021/22: ACADEMIC UNITS

[IN MILLIONS OF DOLLARS]

	TOTAL REVENUES AND OPERATING TRANSFERS	TOTAL EXPENSES	RESULT OF CURRENT OPERATIONS	TRANSFERS (TO)/FROM ASSETS	CHANGE IN EXPENDABLE FUND BALANCE
Academic Units:					
Graduate School of Business	288.3	287.2	1.2	(3.1)	(1.9)
School of Earth, Energy & Environmental Sciences	69.6	78.6	(9.0)	1.0	(8.1)
Graduate School of Education	68.7	78.0	(9.3)	(0.3)	(9.6)
School of Engineering	452.4	435.1	17.2	(11.0)	6.3
School of Humanities and Sciences	567.8	535.1	32.7	(11.9)	20.8
School of Law	105.0	95.8	9.2	(9.2)	0.0
School of Medicine	3,147.3	3,083.6	63.7	(12.2)	51.6
Vice Provost and Dean of Research	247.9	262.0	(14.1)	7.1	(7.0)
Vice Provost for Undergraduate Education	61.8	69.4	(7.6)	0.0	(7.5)
Vice Provost for Graduate Education	54.6	57.7	(3.1)	(0.9)	(4.0)
Vice President for the Arts	31.1	32.6	(1.5)	0.0	(1.5)
Hoover Institution	69.2	74.1	(4.9)	0.8	(4.1)
Stanford University Libraries	89.5	89.9	(0.4)	0.0	(0.4)
SLAC	578.9	579.1	(0.2)	0.0	(0.2)
Total Academic Units	5,832.2	5,758.1	74.1	(39.8)	34.3

2021/22 Consolidated Expenses by Academic Unit



¹ Other is Hoover, VP for Undergraduate Education, VP for Graduate Education, and VP for the Arts.

GRADUATE SCHOOL OF BUSINESS

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
67,532	67,366	General Funds Allocation	70,550	109				70,659
173,317	179,836	Restricted Revenues		80,013	124,250	599	9,318	214,181
3,950	2,662	Internal Revenue	906	1,904			130	2,940
(785)	101	Operating Transfers	149,066	(27,253)	(119,442)		(1,819)	551
244,015	249,964	Total Revenues	220,521	54,772	4,808	599	7,630	288,330
Expenses								
164,075	153,401	Compensation	141,632	24,886		174	2,720	169,412
91,475	97,546	Non-Compensation	78,889	30,818	2,725	425	4,910	117,767
255,550	250,947	Total Expenses	220,521	55,704	2,725	599	7,630	287,179
(11,535)	(982)	Operating Results	0	(932)	2,083	0	0	1,151
4,387	(3,020)	Transfers From (To) Assets			(3,083)			(3,083)
(7,148)	(4,002)	Surplus / (Deficit)	0	(932)	(1,000)	0	0	(1,932)
110,745	103,597	Beginning Fund Balances	1,000	49,299	49,296	0	0	99,595
103,597	99,595	Ending Fund Balances	1,000	48,367	48,296	0	0	97,662

- Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.
- This schedule includes an allocation of tuition revenue and central administrative costs, consistent with Stanford's policy for units operating under a formula agreement.

The Stanford Graduate School of Business (GSB) delivers transformational experiences to students in the areas of business, management, and leadership education. The GSB offers three degree programs: a two-year full-time MBA, a one-year Master of Science in Management (MSx), and a five-year PhD in any of seven distinct fields of study. The GSB also delivers more than 60 Executive Education courses that extend the impact of its faculty in U.S. and global markets. Overall, the school's mission is to create ideas that deepen and advance the understanding of management and, with those ideas, develop innovative, principled, and insightful leaders who will change the world.

STRATEGIC PRIORITIES

Business, Leadership, and Society

The GSB recognizes that we are in a new era: fundamental principles of capitalism are being questioned and scrutinized; business leaders are being asked to speak and act on societal issues; and corporations must demonstrate their long-term alignment with society. The GSB is encouraging students to think broadly about their role as leaders and to engage in discussion and debate about the role of business in society. Ongoing efforts in this area include the Center for Social

Innovation and the Corporate Governance Research Initiative, and new faculty-led efforts include the Corporations and Society Initiative, Stanford's Responsible Investing Initiative, the Golub Capital Social Impact Lab, and a pilot Leadership for Society Scholars program.

Diversity, Equity, and Inclusion

The GSB has made diversity, equity, and inclusion (DEI) a priority in order to reinforce and build on the school's fundamental commitment to excellence in education and research. The GSB has appointed a senior associate dean responsible for DEI and this year published its second annual DEI report. In July 2020, the school released an action plan for racial equity, focused on increasing representation, building greater inclusion, and driving positive change beyond the GSB.

Expansion of Online Education

The COVID-19 pandemic has accelerated trends in business education, including a rising demand for education throughout the course of a person's career; interest in short, flexible programs and skill certification; and enthusiasm for online learning and teaching. Enrollment doubled this year in the Stanford

LEAD program, and the GSB has introduced and experimented with multiple new online programs. These innovations promise to enable the GSB to expand its educational vision and reach a larger and more diverse set of students in coming years.

ONGOING CORE PRIORITIES

Investment in GSB Faculty

Drawn from across the social and management sciences, the GSB faculty is distinguished by its strength across all areas of management. The school enjoys a strong recruiting position—with 14 hires from the last 15 offers—and continues to focus on developing a large cohort of junior and tenured associate faculty. The school must continue to make investments to support ambitious data and social science research. Current initiatives include the GSB Research Hub, which supports experimental and data-oriented research; a junior faculty funding program that provides flexible research funds of \$40,000 a year; expansion of the GSB Research Fellows Program for predoctoral students; and support for a growing number of faculty research labs.

Leadership in MBA Education

The competitive landscape for management education is intense and rapidly evolving, with new offerings and opportunities available to talented prospects. Today's leaders must be prepared to utilize data analytics and to navigate a multitude of issues, including the role of business in society, sustainability, and shifts in globalization. The GSB is working to bolster programs in these areas, building on existing strengths, including strategic innovation, leadership, and entrepreneurship. For example, the new Teaching and Learning Hub has been a timely resource supporting faculty in delivering world-class, transformational learning experiences, even in a virtual environment. The economic return on MBA degrees also continues to be a general concern for students, given rising costs, and the GSB has been investing significantly in need-based financial aid.

Connections Across and Beyond Campus

The GSB has made it an ongoing priority to collaborate more closely with Stanford's other schools and to expand the reach of its programs beyond the university. Around 20% of MBA students pursue joint and dual degrees; GSB faculty are involved in seminars, advising, and programs across campus; and the GSB collaborates on programs with all of the other Stanford schools and many of the interdisciplinary institutes. Currently, the GSB is exploring opportunities for additional collaboration with Stanford's planned sustainability school.

CONSOLIDATED BUDGET OVERVIEW

The GSB projects a 2021/22 consolidated budget with total revenues and operating transfers of \$288.3 million, expenses of \$287.2 million, transfers to assets of \$3.1 million, and a resulting net deficit of \$1.9 million.

The GSB projects that revenues and transfers for 2021/22 will increase by \$38.4 million (15%) compared to the current projections for 2020/21. This growth is primarily driven by Executive Education, where revenue is projected to grow by \$29.0 million (68%). This growth is based on an anticipated transition from predominantly remote instruction due to the pandemic to more in-person instruction in 2021/22. Endowment payout is expected to increase by \$4.2 million, primarily due to an increase in the endowment payout growth rate. Although the GSB is holding tuition rates flat for the MBA and PhD programs and reducing tuition for the MSx program, tuition revenue (net of the formula payment) is expected to increase by \$3.3 million. This tuition increase is driven mainly by an extra quarter of MSx programming in 2021/22, necessitated by a delayed start for the MSx class of 2021.

Overall, the GSB projects a \$36.2 million (14%) increase in expenses in 2021/22 compared with 2020/21 projections. Compensation is projected to rise primarily because of merit increases, as well as a plan for headcount growth in Executive Education as programming begins to transition back to more in-person instruction in 2021/22. Non-compensation expenses are projected to increase above pure inflationary growth rates to support the return of activities that were put on hold during the pandemic.

Following planned asset transfers for reinvestment to endowment principal, the GSB projects ending fund balances of \$99.6 million at the end of 2020/21 and \$97.7 million at the end of 2021/22.

SCHOOL OF EARTH, ENERGY & ENVIRONMENTAL SCIENCES

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
22,562	14,564	General Funds Allocation	15,134					15,134
57,087	58,997	Restricted Revenues		6,615	33,645	16,758		57,018
(78)	(203)	Internal Revenue		(154)				(154)
2,024	4,866	Operating Transfers	30,621	(4,665)	(28,656)	270		(2,429)
81,594	78,224	Total Revenues	45,755	1,796	4,989	17,028	0	69,568
Expenses								
59,026	58,972	Compensation	41,365	8,341	2,963	8,170		60,839
15,620	15,518	Non-Compensation	4,391	2,284	2,232	8,858		17,765
74,646	74,490	Total Expenses	45,755	10,625	5,195	17,028	0	78,604
6,949	3,735	Operating Results	0	(8,830)	(206)	0	0	(9,036)
279	(4,572)	Transfers From (To) Assets		(250)	1,200			950
7,228	(837)	Surplus / (Deficit)	0	(9,080)	994	0	0	(8,086)
61,534	68,762	Beginning Fund Balances	0	27,956	39,969	0	0	67,925
68,762	67,925	Ending Fund Balances	0	18,876	40,963	0	0	59,839

* Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

The mission of the School of Earth, Energy, and Environmental Sciences (Stanford Earth) is to create knowledge to understand Earth and sustain its inhabitants. This mission is of critical importance to the future of the planet, and indeed is at the heart of university efforts to create and launch a new school focused on climate and sustainability.

Stanford's Long-Range Vision (LRV) process, which began in 2018, resulted in sustainability emerging as one of the most important areas for university investment, along with diversity, equity, and inclusion (DEI) and expansion of community engagement in both the local and the broader community. After several years of exploring how Stanford could significantly amplify its impact on climate and sustainability, a proposal to create a new school has gained substantial support and will be presented to the Board of Trustees. Ultimately, this will mean the sunseting of Stanford Earth and the building of a new school, as yet unnamed.

Regardless of its organizational structure, Stanford Earth continues to focus on a number of critical issues.

The first comes under the umbrella of DEI. Stanford Earth has struggled to diversify its faculty. This is a problem in the

geosciences in general and has many underlying causes, primarily stemming from a very weak national pipeline of under-represented minorities (URM) going into these fields. While the school has been very successful in achieving gender diversity over the past two decades (it now has 39% women faculty), there are still very few faculty of color. Stanford Earth has doubled its efforts to recruit URM faculty and with the approval of the provost, has recently launched an open search with the intention of recruiting a junior faculty member who adds to its diversity. In addition, the school is investing in a number of other programs focused on building diversity, broadly defined, in all aspects of its community. Two examples are the Stanford Earth Dean's Graduate Scholars program, supporting first-year PhD students who bring both diversity to the school and leadership in DEI, and the Stanford Earth Postdoctoral Fellowship program, designed to bring even more diversity to the school's postdoc community.

The second area of critical importance is developing, maintaining, and enhancing the school's analytical facilities and infrastructure. Due to faculty growth since 2018, there are needs for additional shared laboratories, new instruments, and a refresh of equipment that is decades old. Additional technical

staff and management are also needed. These positions run and maintain shared labs, develop research methods, and train graduate students in critical skills that are foundational to their education. To meet these demands and position the school well for upcoming growth and change, Stanford Earth will be making investments in equipment, technical leadership, and staffing in 2021/22.

The school's investment in both DEI and research infrastructure will rely on reallocation of existing resources, pandemic-related savings, and school reserves, as well as some one-time general funds and new income.

CONSOLIDATED BUDGET OVERVIEW

Stanford Earth projects total revenues and transfers of \$69.6 million in 2021/22 and expenses of \$78.6 million, resulting in an operating shortfall of \$9.0 million. The operating transfers include a transfer-out of \$4.5 million to the planned new school of sustainability. This is the anticipated remaining balance of the original \$5.0 million LRV seed funding allocated to the school. After excluding it, the true operating shortfall is \$4.5 million. Approximately \$1.0 million in net asset transfers reduces the total deficit to \$3.5 million.

Stanford Earth's restricted revenues flow from several major sources: sponsored research, expendable gifts, endowment payout, and industrial affiliates program membership fees. Total restricted revenues are projected to decline by \$2.0 million in 2021/22. Expendable gift revenue and investment income have been unusually high in 2020/21 due to two one-time events: a \$1.8 million bequest that sharply raised gift revenue, and the sale of a long-held piece of gift real estate that realized \$2.2 million in investment income. On the other hand, endowment payout is expected to increase by \$1.6 million, or

5.6%, thus reducing the overall variance in restricted revenues. Net operating transfers will be significantly lower in 2021/22. Excluding the \$4.5 million transfer-out of the LRV sustainability seed funding, all other interunit transfers combined will decrease by \$3.0 million due to one-time funding in 2020/21, notably funding for faculty recruitment and sustainability seed grants. Net operating transfers are projected to be negative \$2.4 million.

Net asset transfers-in of \$1.0 million comprise \$2.2 million in Petroleum Investment Fund annual income distribution, \$1.0 million in gift revenue that will be used as matching funds for gifts to endowment principal, and \$250,000 in funding for capital projects.

The 2021/22 expense budget reflects cautious optimism for COVID-19 recovery during the year and resumption of normal operations. The compensation budget will rise with planned salary programs for faculty, staff, postdocs, and students. Nearly all categories of non-compensation expense are expected to rise, particularly those related to travel. Many of Stanford Earth's research and instructional activities are field based and have been substantially curtailed since the pandemic began. Faculty and students are eager to resume field work and make up for lost time as soon as it is deemed safe to do so, hopefully by the start of 2021/22, if not before.

Even though projected expenses exceed revenues and transfers by \$3.5 million, the school is well positioned to mitigate the shortfall. Pandemic-imposed savings in 2019/20 and 2020/21 have added to school reserves. Furthermore, the bequest and the proceeds of the gift real estate sale mentioned earlier have been invested in the merged pool as quasi endowment and will generate additional recurrent income in future years.

GRADUATE SCHOOL OF EDUCATION

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
28,180	23,703	General Funds Allocation	23,274	194				23,469
49,468	47,417	Restricted Revenues		3,063	31,013	14,168		48,244
(60)	(113)	Internal Revenue		(42)				(42)
(14)	(881)	Operating Transfers	22,852	(5,960)	(19,963)	100		(2,971)
77,574	70,125	Total Revenues	46,127	(2,745)	11,049	14,268	0	68,699
Expenses								
55,810	55,795	Compensation	39,900	5,450	5,416	8,052		58,818
20,295	15,631	Non-Compensation	6,227	2,121	4,584	6,217		19,149
76,104	71,426	Total Expenses	46,127	7,571	10,001	14,268	0	77,966
1,470	(1,300)	Operating Results	0	(10,316)	1,049	0	0	(9,267)
1,110	(320)	Transfers From (To) Assets			(300)			(300)
2,580	(1,620)	Surplus / (Deficit)	0	(10,316)	749	0	0	(9,567)
50,153	52,734	Beginning Fund Balances	0	26,531	24,583	0	0	51,113
52,734	51,113	Ending Fund Balances	0	16,215	25,331	0	0	41,546

• Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

In 2020/21, the Graduate School of Education (GSE) made important progress toward launching the initiatives identified during its long-range planning process. Despite some setbacks due to the pandemic, this year marked a period of substantial change and renewal for the school. Four main factors have impacted financial planning: the GSE's strategic plan, which involves several new academic initiatives; the need to replace up to half of the faculty over a ten-year period due to retirements; efforts to keep MA and PhD programs competitive and affordable; and the GSE's new building project. In 2021/22, the GSE plans to continue to keep operating costs flat or decreasing while strategically using reserves and new income from fundraising for new programmatic initiatives.

PROGRAMMATIC DIRECTIONS

The school's planning process resulted in eight strategic initiatives. Each of these initiatives now has an implementation plan, complete with timelines for recruiting faculty and students as well as for fundraising. Of note is the Learning Differences and the Future of Special Education initiative, which has led to the recruitment of six new faculty members and a training grant award from the U.S. Department of Education's

Office of Special Education Programs to fund doctoral students. A faculty search is currently underway for the Advancing Early Childhood Education initiative, and the Transforming Education with Data initiative has launched a new master's program in data sciences, which will confer its first degrees in 2021/22. Other initiatives involve renewing focus on areas of substantial impact on the field and are in their early stages of launch.

The university's Long-Range Vision (LRV) includes two initiatives that have particular implications for the GSE: the Transforming Learning Accelerator (TLA) and Inclusion, Diversity, Equity, and Access in a Learning Environment (IDEAL). These efforts are being undertaken through faculty involvement, with early seed funding from the provost. Both of these LRV initiatives dovetail with and amplify GSE strategic objectives. They create new opportunities for interdisciplinary collaborations across the university, and they will enable greater impact in addressing urgent and important public issues.

The new building initiative has the most significant long-term impact on financial planning and is in the final planning stages. The project to substantially renovate the GSE's historic main building and expand adjacent space is intended to bring all GSE

faculty and programs into modern, contiguous spaces and to create model collaborative learning spaces for the school and the university. Pending further approvals from the county and the Board of Trustees, construction is set to begin in fall 2021. The total project cost is estimated to be \$150 million, of which \$100 million is donor-funded, \$40 million is from university facilities reserves, and \$10 million will be supported by long-term debt.

The GSE also recruited three faculty starting in 2020/21 and expects up to three more in 2021/22, two to support the Race, Inequality, Language and Education program and one for the Advancing Early Childhood Education initiative. In order to maintain full strength across all programs, the GSE will continue recruiting an average of three new faculty members each year through 2025/26.

With the help of the university, the GSE has increased funding for doctoral students to include two additional summers of support and five academic years. The new special education training grant and the renewal of another U.S. Department of Education training grant also contribute to the doctoral student financial aid program. The GSE seeks to increase endowment, gift, and sponsored support for student aid to continue providing robust financial aid to students, including some support for sixth-year students, in 2021/22.

Progress in the following areas is expected in the coming years:

- **Continued initiative support:** The GSE will continue to launch and support its eight strategic initiatives through fundraising and the generation of new sponsored funding sources as a result of new academic and programmatic faculty expertise.
- **Student financial support:** The GSE has made increasing student financial support a major priority in recent years. This will continue to influence fundraising efforts.
- **Planned spending reductions and shared effort:** To maintain funding for its highest priorities and weather the predicted general fund and endowment payout changes, the GSE reduced operating expenses in 2020/21 through reduced staff hiring and large cuts in non-personnel costs. Similarly, the GSE will not increase non-personnel costs in 2021/22 and will continue to look for opportunities to reduce expenses and streamline processes in future years.

CONSOLIDATED BUDGET OVERVIEW

The GSE projects a 2021/22 consolidated budget with total revenues and operating transfers of \$68.7 million, down \$1.4 million (2%) from the 2020/21 year-end projection. The closure and downsizing of several GSE research centers will lead to \$1.6 million lower non-federal sponsored revenue and modest reductions in designated funding. However, gift revenue is projected to be higher, in part due to the TLA.

Budgeted expenses for 2021/22 are \$78 million, up \$6.5 million (9%) from the 2020/21 year-end projection. Contributing to the difference is a \$3.2 million increase in expenses for the TLA. Another \$3.8 million can be attributed to salary and non-salary compensation increases across the school from the planned salary increase pool, correlated fringe increases, faculty recruiting, and student aid. Reductions to some non-salary operating expenses and reduced center expenses compared to the 2020/21 booked budget offset the increases elsewhere. The GSE intends to look for opportunities to reduce operating costs further.

In summary, this is a multi-year transition period as the GSE continues to invest in strategic initiatives and provides a home for the TLA. At the same time, some long-standing programs are phasing out, spending down their final reserves. The result is a net deficit of \$9.6 million on a consolidated basis, comparing current revenues and current expenses only. Fund balances are available to cover the current deficit, and the GSE remains confident that investments in new programs will begin to attract new forms of support, including both gifts and sponsored research, while also strengthening the teaching and research missions of the school.

SCHOOL OF ENGINEERING

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
106,576	106,102	General Funds Allocation	108,829					108,829
332,316	324,341	Restricted Revenues		78,562	115,237	135,578		329,377
2,798	2,037	Internal Revenue		(3,688)	7		5,728	2,046
14,380	10,853	Operating Transfers	79,354	(13,592)	(55,074)	1,434		12,122
456,070	443,333	Total Revenues	188,182	61,283	60,169	137,012	5,728	452,374
Expenses								
279,676	282,521	Compensation	163,551	36,743	20,004	70,389	3,794	294,482
146,989	133,751	Non-Compensation	24,631	16,724	30,798	66,568	1,921	140,643
426,665	416,272	Total Expenses	188,182	53,467	50,803	136,958	5,715	435,125
29,405	27,061	Operating Results	0	7,816	9,367	55	12	17,249
1,254	(13,067)	Transfers From (To) Assets		(5,000)	(5,923)	(55)		(10,978)
30,659	13,994	Surplus / (Deficit)	0	2,816	3,443	0	12	6,271
372,737	403,396	Beginning Fund Balances	452	192,131	224,863	0	(56)	417,390
403,396	417,390	Ending Fund Balances	452	194,947	228,306	0	(44)	423,661

• Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

The School of Engineering (SoE) remains fundamentally strong, with vibrant and high-impact research programs, robust student demand from undergraduate through all graduate levels, and an emphasis on quality education and mentoring. Its faculty are engaged not only in research and education, but also in their departments, the school, the university, and their professional communities.

The impacts of the COVID-19 pandemic have been felt unevenly across the school and its many constituent groups. Some research has proceeded with little change, some has pivoted, and some has seen significant interruption. There have been several creative efforts around virtual teaching; other courses have simply moved to a Zoom format, while some have been difficult or impossible to deliver effectively. The wide-ranging uncertainty created by the pandemic has resulted in heightened anxiety and stress for nearly everyone in SoE, with late-stage PhD students and young faculty perhaps most affected.

Financial results for 2019/20 and midyear patterns for 2020/21 do not reflect business as usual, but the net effects suggest a relatively healthy operating picture. Revenues are down slightly

due to the pandemic, most notably in affiliates programs, executive education, and the school's largest service center (the Stanford Nanofabrication Facility). All of these depend fairly heavily on in-person experiences or work and have suffered as a result of travel and gathering restrictions. Those same restrictions have resulted in savings across the school on travel and in-person conference expenses. At a consolidated level, revenue reductions and expense savings are close to offsetting, but there are still a variety of negative financial impacts. For example, because of restricted access to labs, decentralized remote operations, and lack of in-person meetings, many PhD students did not align with advisors on the normal schedule, forcing departments to continue funding them instead of transferring that expense over to faculty research groups.

As part of the 2020/21 budget cuts, the school made staff reductions primarily through attrition of open positions, but some eliminated positions were ultimately filled based on urgent needs. Some other budget cuts will need to be restored over time, notably those in the travel budget. Overall, how much travel resumes—and how it affects the school budget—is one of the unknowns about the lasting effects of the pandemic.

School priorities over the next three years include continuing significant efforts in faculty and student diversity; fostering inclusive practices; participating in several Long-Range Vision initiatives in which engineering plays a key role; ensuring the school continues providing high-quality education not only for engineering students but also for students across the university; cultivating collaborative endeavors within the school and across the university; and delivering several strategic capital projects.

CONSOLIDATED BUDGET OVERVIEW

SoE projects a 2021/22 consolidated budget with total revenue and transfers of \$452.4 million and expenses of \$435.1 million. Transfers to assets for locally funded capital projects and transfers to other assets will total an additional \$11 million, resulting in a projected surplus of \$6.3 million. Compared with the 2020/21 year-end projection, 2021/22 revenues will increase by 2% while expenses will increase by 5%. The increased expenses represent an incremental return to normal operations but still fall below expenses prior to the pandemic.

Sponsored research remains the largest single component of SoE finances, at approximately 30% of revenue; however, this proportion has been shrinking steadily over the last few years. Federal grants are projected to increase slightly due to new faculty applications, but non-federal spending has been impacted by uncertainty during the pandemic.

The overall school reserve position is strong and provides a cushion for research funding fluctuations, but the funds are asymmetrically distributed among faculty, departments, and the school. The majority of reserves are earmarked for the research of individual faculty and laboratory groups, while the remaining dean-controlled reserves are largely restricted to faculty and student support, limiting financial flexibility for the dean.

CAPITAL PROJECTS

SoE has three important near-term capital projects to meet the evolving needs of faculty and students, and these remain the most pressing needs for limited school financial resources:

- **Stanford data science and computation complex:** The Board of Trustees has given concept and site approval for this project, and Engineering and Humanities and Sciences (H&S) are well into planning and fundraising for the Bridge Complex, a facility that will house programs that bridge SoE and H&S. This \$225 million building will include the Data Science Initiative; the Brown Institute for Media Innovation; a temporary home for the Stanford Impact Labs; faculty from computer science, statistics, and possibly other departments; and several undergraduate programs from both schools.
- **Robotics Center and maker space:** The basement of the Packard Building will be home to a new experimental robotics laboratory accommodating robots of many different sizes in a host of different environments for both research and educational purposes. Coupled with the Robotics Center will be a vibrant new maker space on the ground floor of Packard. The overall project will not have any effect under the General Use Permit and will create many new synergies across the school and university at a cost of \$15 million.
- **Gates Building renovation:** The Gates Building is being renovated to house the Institute for Human-Centered Artificial Intelligence and to complete habitability upgrades in other areas to better accommodate the overflowing numbers of computer science faculty, students, and staff. With the preponderance of occupants working remotely, the school accelerated this project in order to take advantage of a near-empty building. The \$24 million project is funded with a combination of philanthropy and school, university, and department reserves.

SCHOOL OF HUMANITIES AND SCIENCES

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
223,173	224,460	General Funds Allocation	232,415	4,278				236,693
309,717	293,579	Restricted Revenues	161	4,983	191,437	109,404	4,785	310,770
1,386	1,150	Internal Revenue		617	5		1,297	1,918
20,337	24,268	Operating Transfers	127,718	41,861	(157,322)	2,298	3,849	18,404
554,613	543,457	Total Revenues	360,294	51,739	34,121	111,702	9,930	567,786
Expenses								
357,187	355,752	Compensation	275,700	32,176	13,201	51,450	6,864	379,392
150,260	145,948	Non-Compensation	75,176	11,528	7,252	60,252	1,473	155,681
507,448	501,700	Total Expenses	350,876	43,704	20,453	111,702	8,338	535,073
47,166	41,757	Operating Results	9,418	8,035	13,667	0	1,593	32,713
(5,235)	(21,460)	Transfers From (To) Assets	(4,900)		(7,000)			(11,900)
41,931	20,297	Surplus / (Deficit)	4,518	8,035	6,667	0	1,593	20,813
316,675	358,606	Beginning Fund Balances	15,575	213,095	149,659	0	574	378,903
358,606	378,903	Ending Fund Balances	20,092	221,130	156,326	0	2,167	399,716

• Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

STRATEGIC AND ACADEMIC PLAN

The past year brought unprecedented challenges as the School of Humanities and Sciences (H&S) navigated significant funding reductions, a global pandemic, and a period of tumultuous global political and social crises. H&S maintained its core strengths as faculty pivoted to new teaching methods and ways to advance their research, and departments managed budget cuts.

After four consecutive years in which endowment payout growth trailed expense growth, and due to over \$20 million in funding reductions in 2020/21, H&S implemented a total of \$23.1 million of budget cuts in 2020/21. Cuts to departments were fully implemented, although some reductions were for activities already limited by pandemic restrictions. The full impact of these cuts will not be felt until departments return to normal activity levels. Faculty searches were suspended in 2019/20, and new hire authorizations this spring will be limited to about half of the normal replacement rate. The near-term decrease in faculty may be somewhat offset by diversity hires through the Inclusion, Diversity, Equity, and Access in a

Learning Environment (IDEAL) initiative. The school plans to return to authorizing searches at replacement rate in 2021/22. High housing prices and the growing cost of conducting research at Stanford continue to be major drivers of expenses associated with faculty recruitment and retention.

H&S is completing two large capital projects—Mudd Chemistry decommissioning and Stock Farm greenhouse replacement—and is planning a full capital program for the next few years. Key projects will be the Building 420 HVAC Study, which will enable the Psychology Department to fully resume research and instruction, and the development of a backfill strategy for Sequoia Hall, as H&S awaits the construction of the Bridge Building.

One key area of expense growth is graduate student funding. Acting on recommendations from the Affordability Task Force, the provost has provided incremental gap funding to guarantee five full years of support to all doctoral students, including summer quarters. This additional funding will help address student affordability issues, reduce student stress, and help with time to degree.

The COVID-19 pandemic required extensive and rapid responses from faculty and staff to continue the school's research and teaching mission as well as to support students. While difficult, these changes have created opportunities for a post-pandemic environment: new teaching methodologies and skill sets for distance learning support the possibility of blended learning methods; faculty have built an extensive library of recorded materials that can be incorporated into future courses; and projected increases in staff telecommuting will allow the university to recruit from a broader geographical area and consider potential reallocation of on-campus office space.

H&S faculty continue to provide input and leadership to each of the university's Long-Range Vision initiatives. The Stanford Impact Lab moved to H&S, and the first cohort of Stanford Science Fellows was selected, bringing outstanding postdoctoral fellows to the school. The Changing Human Experience/Public Humanities initiative continues to ramp up, engaging undergraduates, graduate students, faculty, and the public.

The tumult of national politics and social crises has increased H&S's focus on diversity, equity, and inclusion (DEI) activities. Departmental DEI committees are evaluating local culture and climate and making recommendations to support all of the school's diverse communities more fully. The Framework Task Force recommended that the Program in African and African American Studies become a department. This change will build academic and scholarly strength in this area and support rapidly growing student interest. Departmentalization is anticipated to take one to two years to complete and may require significant investment in faculty, facilities, and student support. H&S leadership is also participating in the development of the new school for climate and sustainability, and planning for its potential impact on H&S departments. While planning is still in early stages, it is clear that H&S will need to closely coordinate curricula with the new school. Backfill hiring may also be needed in some areas.

CONSOLIDATED BUDGET OVERVIEW

For 2021/22, H&S projects revenues and operating transfers of \$567.8 million and expenses of \$535.1 million, resulting in an operating surplus of \$32.7 million. After \$11.9 million of net transfers to assets, the school projects an increase in consolidated fund balances of \$20.8 million, with an ending balance of \$399.7 million.

Department, program, and faculty activity levels were greatly restricted by pandemic-related limitations in 2019/20 and 2020/21, resulting in significant savings in non-compensation expenditures and fund balance growth at these control points. Cancellation and deferral of facilities projects resulted in significant dean's office savings and fund balance growth during this same period. Activities are projected to return to more normal levels in 2021/22, and these one-time increases in fund balances are projected to diminish over time.

Growth in funds controlled by the dean's office is projected to slow in 2021/22, with the balance reaching \$139.4 million. These reserves are typically a funding component of large facilities projects. Two major projects are part of the school's long-term capital plan, but reserves will not be spent for one to two more years.

Growth in fund balances controlled by departments and programs is also projected to slow in 2021/22 as activities begin returning to pre-pandemic levels. These balances are projected to total \$145.3 million. Most units are projected to return to financial equilibrium, with fund balance growth in a few units that receive large gifts.

Faculty-controlled funds are projected to remain steady in 2021/22 and end with a balance of \$115 million. Pre-pandemic growth was primarily related to funding for recruitment and retention packages.

Sponsored research has had modest but steady growth since 2018/19, slightly outpacing inflation. In 2021/22, research volume is projected to slow somewhat to the rate of inflation. In addition to impacting direct research expenditures, changes in sponsored research volume shift faculty summer salary and graduate student support to/from department- and faculty-controlled funding sources.

SCHOOL OF LAW

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
39,330	39,803	General Funds Allocation	40,214					40,214
65,976	63,485	Restricted Revenues		4,015	60,778	1,707		66,500
(89)	(276)	Internal Revenue		(285)				(285)
(1,027)	(801)	Operating Transfers	52,106	(2,669)	(50,836)			(1,399)
104,191	102,212	Total Revenues	92,320	1,061	9,942	1,707	0	105,030
Expenses								
67,088	69,088	Compensation	70,118	301	187	993		71,598
22,542	22,035	Non-Compensation	22,202	668	603	714		24,188
89,631	91,123	Total Expenses	92,320	969	790	1,707	0	95,786
14,561	11,089	Operating Results	0	92	9,152	0	0	9,244
(11,990)	(11,000)	Transfers From (To) Assets			(9,200)			(9,200)
2,570	89	Surplus / (Deficit)	0	92	(48)	0	0	44
25,549	28,119	Beginning Fund Balances	71	1,788	26,349	0	0	28,208
28,119	28,208	Ending Fund Balances	71	1,880	26,301	0	0	28,252

• Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

Between the global pandemic, the subsequent economic crisis, and the broader societal issues testing the nation, it has been a year of unprecedented and unforgettable personal and professional experiences. COVID-19 has permeated every facet of Stanford Law School (SLS). It has resulted in faculty teaching from their homes, staff pivoting to an entirely new virtual working environment, and students, including those who began their legal education in fall 2020, having to learn remotely and live independently while adjusting to the rigors of the SLS program.

Over the past year, the Law School's budget has been more unpredictable than is normal. Despite the financial variability and uncertainty, however, the school remains in a solid financial position. Faculty hiring will resume in order to preserve excellence in teaching and research and continue to advance vital strategic priorities, such as diversifying law faculty in terms of race and gender.

Though the pandemic certainly altered the manner in which SLS legal education was delivered this past year, it was paramount that the quality of the educational program not be diminished. In addition, as the complete student experience—

both academic and social—has become remote and virtual, it has been incumbent upon the school to provide resources that ensure student well-being and success. Innovations in the curriculum have been made to meet the demands of a changing legal profession and to better prepare students for their professional futures. SLS continues to develop new centers and programs that improve strategic priorities in teaching and research.

Since last spring, Dan Ho and his team at the Regulation, Evaluation, and Governance Lab (RegLab), which builds the evidence base and technology for effective government, have been working through the Stanford Future Bay Initiative to support local Bay Area government partners in a COVID-19 response. Local governments have been overwhelmed in responding to COVID-19, with limited ability to incorporate data-driven insights to inform policies. RegLab's work not only directly advances research and teaching, but also provides a model for the type of local government partnership that ensures cutting-edge research on campus can make its way off campus to have a positive impact on society.

Law and technology continues to be an area of strategic priority with the Law School launching additional courses, research projects, and other programming. David Engstrom is co-teaching with engineering faculty new digital, technology, and law foundational courses that will provide students with a basic understanding of core digital technologies and related legal frameworks. Designed to have students from several Stanford schools work collaboratively on case studies, each course module includes practical exercises.

Most recently, the Stanford Center for Racial Justice at SLS (SCRJ) was launched under the direction of Rick Banks. The SCRJ seeks to lead a charge to rethink race, dismantle racism, and further justice for all persons. Though based in the Law School, the SCRJ will collaborate across the university to leverage the intellectual firepower of Stanford's faculty. It will also partner with numerous government and non-government entities, providing research capabilities that would otherwise be unattainable for these institutions. SLS students will be active research partners in creating policy recommendations, and it is hoped that the entire Stanford community will benefit from SCRJ training sessions and workshops.

CONSOLIDATED BUDGET OVERVIEW

Confronting an unknown economic future as a result of COVID-19, the Law School planning has attempted to incorporate the continued fiscal uncertainty into a realistic consolidated budget. With that noted, the 2021/22 consolidated budget comprises total revenues and operating transfers of \$105 million, expenses of \$95.8 million, and transfers to assets of \$9.2 million. SLS projects a break-even budget with little change in current fund balances.

Consolidated revenue, exclusive of operating transfers, is estimated to increase by almost 5% to \$66.2 million. The prolonged impact of COVID-19 will continue to hamper designated

revenue, particularly income from affiliates and other program fees. With so much programming still in flux, it is anticipated that designated income will be \$3.6 million. Expendable gift revenue will rise to almost \$12 million, as support for academic centers such as RegLab, the SCRJ, and the Digital Initiative strengthens. As a result of new gifts to endowment and prior-year investments in funds functioning as endowment (FFE), endowment income will rise to \$48.7 million. Sponsored research remains stable and will generate \$1.7 million; half of this total is from the U.S. Department of State grant to support the Afghanistan Legal Education Project.

Total consolidated expenses are anticipated to grow 5% to \$95.8 million. A strong salary program will lift compensation expenses to \$71.6 million. The uncertainty surrounding faculty and staff continuing to work remotely into 2021/22 (in a full/part/flex-time capacity) may impact staff FTE and salary levels, as well as the contingent and student workforce. Non-compensation expenses will rise to \$24.2 million, with across-the-board increases expected. At some point, it is anticipated that travel restrictions will loosen, allowing on-campus events, conferences, and executive education.

The transfers to assets of \$9.2 million include \$4.2 million to student loan to provide funding to law school graduates participating in the Law School's Loan Repayment Assistance Program; \$3 million to plant to fund another phase of the Crown Quadrangle renovation project; and \$2 million of available endowment income reinvested into FFE.

SLS consolidated expendable fund balances will remain constant at \$28.2 million. Of this amount, \$12.5 million is non-cash investments in the Law School Venture Fund and housing loans and is unavailable for general use. The remaining \$15.7 million is available and consists of \$12.3 million for restricted purposes, such as academic programs and centers and financial aid, and \$3.4 million for unrestricted purposes.

SCHOOL OF MEDICINE

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	DESIGNATED CLINIC	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues									
116,793	116,028	General Funds Allocation	127,350						127,350
2,526,152	2,733,647	Restricted Revenues		342,128	1,316,986	396,361	864,098	1,019	2,920,592
89,707	93,776	Internal Revenue		123,283	(66,966)	21		44,690	101,028
(9,216)	(1,372)	Operating Transfers	323,479	(56,671)	(198,151)	(60,693)	(9,748)	128	(1,657)
2,723,437	2,942,080	Total Revenues	450,829	408,740	1,051,869	335,689	854,349	45,837	3,147,312
Expenses									
1,712,272	1,806,753	Compensation	175,405	223,634	1,011,180	173,375	375,792	26,986	1,986,372
907,143	1,005,946	Non-Compensation	275,424	139,183	40,688	144,769	478,557	18,588	1,097,210
2,619,415	2,812,700	Total Expenses	450,829	362,817	1,051,869	318,144	854,349	45,574	3,083,582
104,021	129,380	Operating Results	0	45,923	0	17,545	0	263	63,730
27,258	1,567	Transfers From (To) Assets		(36,281)		24,116			(12,165)
131,279	130,947	Surplus / (Deficit)	0	9,642	0	41,661	0	263	51,565
1,477,588	1,608,412	Beginning Fund Balances	70	1,009,350	0	730,019	0	(80)	1,739,359
1,608,868	1,739,359	Ending Fund Balances	70	1,018,991	0	771,679	0	183	1,790,924

- Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.
- This schedule includes an allocation of tuition revenue and central administrative costs, consistent with Stanford's policy for units operating under a formula agreement.

The School of Medicine is one of three entities, along with Stanford Health Care (SHC) and Stanford Children's Health (SCH), that constitute Stanford Medicine. Its mission is to improve human health locally and globally through innovative discovery and the translation of new knowledge; to serve the community by providing outstanding and compassionate care; and to inspire and prepare the future leaders of science and medicine. Stanford Medicine's vision is to lead the biomedical revolution in precision health. A fundamental shift from reactive medicine to proactive and personalized health care, precision health aims to predict, prevent, and cure disease—precisely.

Though COVID-19 has presented unique challenges, Stanford Medicine has established itself as a global leader in health throughout the pandemic, launching nimble and coordinated responses across research and patient care.

These actions were enabled by Stanford Medicine's Integrated Strategic Plan (ISP), which has aligned the paths of the School of Medicine, SHC, and SCH, while embracing Stanford's distinctive culture, one that emphasizes innovation and collaboration across disciplines and schools. The ISP has created a better-

aligned and more collaborative organization, poised to continue advancing human health.

In patient care, creation of the Technology and Digital Solutions team played a significant role in scaling telehealth from approximately 4% of outpatient visits pre-pandemic to a peak of 70%. Moving forward, Stanford Medicine will identify the technologies, best practices, and methodologies needed to establish a more robust telemedicine presence that increases access to Stanford Medicine.

From the first moments that the coronavirus was detected, the School of Medicine researchers pivoted research to address the looming health crisis. The Innovative Medicines Accelerator shifted its focus to translating discoveries related to COVID-19 into usable therapeutics. Additionally, Stanford Medicine Catalyst established a COVID-19 pop-up to support the Stanford Medicine community's innovative approaches to addressing COVID-19. It received 90 submissions, including one for a promising low-cost, at-home saliva test kit that has implications beyond COVID-19, and supported several of the most promising with funding and mentorship.

In education, the School of Medicine has recently launched initiatives to ensure that it remains a pre-eminent medical school that prepares biomedicine's future leaders. The MD Discovery Curriculum, for example, is an innovative program that allows medical students more flexibility to pursue the physician-scientist track. This fills a critical need as the number of physician-scientists nationally has declined. Additionally, to attract the most talented and promising students and encourage them to pursue their passions, the School of Medicine has adopted generous funding models. Since 2013, PhD students have received full funding for four years without relying on a faculty researcher's funding. In 2020, a transformational gift and matching commitment from the School of Medicine began covering tuition and living expenses for medical students who qualify for aid, eliminating the need for loans.

Diversity, equity, and inclusion continue to be key priorities and core values for Stanford Medicine. In response to global movements around racial justice, Stanford Medicine's leadership launched the Commission on Justice and Equity. Composed of external and internal leaders, experts, and advocates, the commission represents an institution-wide collaborative effort to dismantle systemic racism and discrimination within the Stanford Medicine community and highlight opportunities for Stanford Medicine to play a national role in addressing health disparities that disproportionately harm historically marginalized groups.

To support Stanford Medicine in its missions, the school launched the 1215 Welch Road Building Project in 2021. This large, multiphase project calls for the construction of a new building containing 195,000 square feet of lab space and the demolition of the 1215 Welch Road Modulares, the Medical School Office Building, and the Redwood, Hagey, and Fairchild buildings. Renovations in the Alway, Lane, and Edwards buildings will accommodate occupants vacated from other buildings during demolition and construction. The total project cost for all components is estimated to be \$345 million, with occupancy of the new building anticipated in 2024 and completion of all demolitions expected by 2025.

CONSOLIDATED BUDGET OVERVIEW

In 2021/22, the school projects total revenues and operating transfers of \$3,147.3 million and expenses of \$3,083.6 million, yielding an operating surplus of \$63.7 million. After transfers to assets of \$12.2 million, the school anticipates a net change in current funds of \$51.6 million.

Total revenues and operating transfers are projected to increase 7%, or \$205.2 million, in 2021/22. Key drivers include:

- A continued increase in clinical activities, which will grow healthcare services revenues by 7.6%, or \$109.2 million.
- New faculty hires and higher levels of clinical research activity, which will grow sponsored research revenues by 7.5%, or \$60.3 million, and revenues from indirect cost recovery by 7.8%, or \$15.3 million.
- An increase in the endowment payout, which will grow endowment income by 7.8%, or \$14.1 million. This growth comes after a reduction in the university's endowment payout in 2020/21 in response to market uncertainty due to COVID-19.
- Cumulative growth in the expendable funds pool, which will drive an increase in investment income of 12.2%, or \$9.8 million.

In 2021/22, the school projects expenses will increase 9.6%, or \$270.9 million. Significant areas of increase are:

- Compensation expenses, which will grow by 9.9%, or \$179.6 million. This growth is driven by the annual salary program and incremental faculty and staff needed to support clinical and research activities. The school projects net recruitment of 24 faculty and 100 clinician-educators in 2021/22.
- Non-compensation expenses, which will grow by 9.1%, or \$91.3 million. This growth is due to the projected increases in clinical and research activities, and in space costs for newly completed buildings and acquired leases.

Asset transfers include \$24.1 million in new gifts from pending funds, offset by \$16.4 million of transfers by departments to quasi endowment, \$9.8 million of transfers related to the 1215 Welch Road Building Project, and \$9.4 million of transfers related to tenant improvements at newly acquired leased properties.

VICE PROVOST AND DEAN OF RESEARCH

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
72,540	63,515	General Funds Allocation	63,601	250				63,851
185,149	191,012	Restricted Revenues	2,164	11,674	108,896	70,711	815	194,260
9,200	10,254	Internal Revenue	3,723	255	612		7,984	12,573
15,351	(18,347)	Operating Transfers	7,284	(2,522)	(73,134)	(4,830)	418	(22,783)
282,239	246,435	Total Revenues	126,772	9,657	36,374	65,881	9,217	247,901
Expenses								
150,212	161,380	Compensation	95,745	8,331	23,754	32,935	6,034	166,799
94,379	100,039	Non-Compensation	31,027	9,887	17,925	32,946	3,378	95,163
244,591	261,420	Total Expenses	126,772	18,218	41,680	65,881	9,412	261,962
37,648	(14,985)	Operating Results	0	(8,561)	(5,306)	0	(195)	(14,061)
(18,425)	2,704	Transfers From (To) Assets		562	6,492			7,054
19,223	(12,281)	Surplus / (Deficit)	0	(7,999)	1,186	0	(195)	(7,008)
301,444	320,677	Beginning Fund Balances	0	116,554	192,626	0	(784)	308,396
320,667	308,396	Ending Fund Balances	0	108,554	193,812	0	(978)	301,388

• Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

The mission of the Vice Provost and Dean of Research (VPDoR) is to support a thriving research enterprise at Stanford. In 2021/22, VPDoR will invest in four priority areas that benefit the entire research life cycle and researchers at every stage of their careers, while continuing to champion operational excellence for the research support offices and the eighteen interdisciplinary and independent centers, institutes, and labs.

Enhancing Proposal Competitiveness

General funds from the provost, coupled with repurposed internal funding, enabled VPDoR to create a central research development office with four incremental staff in 2021/22. The office aims to strengthen the competitiveness of collaborative research proposals from faculty through project-opportunity alignment, early preparation, and proposal development support, ultimately enhancing researchers' ability to conduct discovery research in today's challenging funding environment. It will support research teams from across the university, with an emphasis on multidisciplinary, large, and complex proposals with multiple principal investigators. The office will report on progress, with success metrics, in two to three years.

Expanding Access to Shared Resources

Democratizing access to research resources, a Long-Range Vision pillar, calls for expanding shared platforms to empower researchers to do discovery research effectively. This includes expanding instruments and data sets shared among diverse research groups. To that end, VPDoR, along with Humanities and Sciences, Engineering, Medicine, and Earth, Energy, and Environmental Sciences, has funded the Community of Shared Advanced Research Platforms (c-ShARP), charged to prioritize and recommend shared instrument upgrades. VPDoR will also invest in the Stanford Research Computing Center, increasing the capacity of its technical staff to maximize the benefits of storage and computation services for data center users.

Accelerating the Translation of Research

VPDoR will help technologies reach the market faster by launching a new High-Potential Innovations Translation Fund in the Office of Technology Licensing (OTL). The funded cohort will go through a facilitated entrepreneurship foundation program and receive grants in quarterly tranches, based on progress on performance milestones. The fund will leverage

successes and lessons learned from existing translational funding programs, while broadening the connections to all research areas.

Addressing Compliance Risk and Complexity

There are two dimensions of risk under the jurisdiction of VPDOR: (1) potential for life safety harm, and (2) violation of research regulatory and contractual requirements. A tumultuous year of global pandemic has put the topic of health and safety front and center. Through this public health crisis, VPDOR reached a new level of precaution in emergency preparedness and realized that gaps remain across a range of life safety service areas. Incremental general funds will be provided in 2021/22 to bring two life safety programs into compliance in Environmental Health and Safety: the Emergency Responder Radio Coverage System and the Fire Prevention Program.

On the research compliance side, the growing demand for human subject research protocol reviews reached a new high in 2019/20. More noteworthy than the number of active protocols is the increase in multi-institution collaborative research, as reflected by demand for Single Institutional Review Board (IRB) reviews, which are mandatory in federally supported studies involving multiple sites. Incremental general funds will be provided to the Research Compliance Office in 2021/22 to manage the increasing Single IRB protocol volume.

Work in other research policy areas continued apace during the pandemic. The addition of a director role for the Global Engagement Review Program boosted confidence in formalizing the program against the backdrop of federal agencies' ongoing concerns about undue foreign interference. VPDOR is also grateful for the incremental funding for a research data privacy and governance position with deep data privacy, data sharing, and data management experience. A re-engineered process for negotiating data use agreements is also fully funded in 2021/22. This is another meaningful step toward enhancing coordination and eliminating silos in Stanford's data governance landscape, thus decreasing the time to completion of complex research agreements.

CONSOLIDATED BUDGET OVERVIEW

VPDoR is forecasting total revenues and operating transfers of \$247.9 million and expenses of \$262.0 million in 2021/22, with an operating deficit of \$14.1 million. After asset transfers of \$7.1 million, mostly withdrawal of term endowment funds, the consolidated fund balance is projected to decrease by \$7.0 million, to \$301.4 million. This is the result of a planned draw-down of prior-year gifts and income in several units, including the Stanford Woods Institute for the Environment; the Wu Tsai Neurosciences Institute; Chemistry, Engineering & Medicine for Human Health (ChEM-H); and OTL. The overall reserve position remains strong. Faculty and academic programs control over three-quarters of the reserve, with most of these funds earmarked for research.

Compared with the 2020/21 year-end projection, revenues and operating transfers will increase by \$1.4 million, or 0.6%. Endowment payout growth, coupled with new gifts received in the prior year, will contribute to \$3.1 million more endowment income in 2021/22. Academic service center revenue from shared facilities is expected to bounce back to the pre-pandemic level with \$2.5 million more internal income through rate recovery. Other external income will rise by \$2.0 million, primarily driven by new affiliate income from the expansion of corporate affiliate programs in policy institutes such as the Precourt Institute of Energy. An increase in outgoing operating transfers is mainly attributable to dissemination of funding to other schools for research projects.

Overall expenses will stay essentially flat. Total compensation is expected to be \$5.4 million higher, while non-compensation expenses will decline by \$4.9 million. The compensation increase is mainly the result of the salary program. The decline in non-compensation expenses is due to a \$9 million reduction in professional services as the Occupational Health Center scales back the university's COVID-19 testing contract and the Institute for Human-Centered Artificial Intelligence completes its U.S. Census grant and COVID-19 data initiatives. These declines are offset by a \$3.1 million increase in travel and event spending as activities return to more typical operations post-pandemic, and a \$1.9 million increase in student aid as several centers and institutes increase their fellowship support for PhD students.

VICE PROVOST FOR UNDERGRADUATE EDUCATION

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
20,629	22,519	General Funds Allocation	23,222					23,222
44,182	39,260	Restricted Revenues	450	1,309	38,956		3,994	44,711
7,592	86	Internal Revenue		195				195
(1,598)	(4,674)	Operating Transfers	36,195	583	(43,387)		321	(6,288)
70,806	57,191	Total Revenues	59,868	2,087	(4,430)	0	4,315	61,840
Expenses								
40,198	37,507	Compensation	40,108	63	1,948			42,120
26,885	15,799	Non-Compensation	20,825	26	3,991		2,440	27,283
67,083	53,305	Total Expenses	60,933	90	5,939	0	2,440	69,403
3,722	3,886	Operating Results	(1,065)	1,997	(10,370)	0	1,875	(7,563)
585	(66)	Transfers From (To) Assets			28			28
4,308	3,820	Surplus / (Deficit)	(1,065)	1,997	(10,342)	0	1,875	(7,535)
32,345	36,653	Beginning Fund Balances	(140)	7,658	33,165	0	(209)	40,473
36,653	40,473	Ending Fund Balances	(1,205)	9,655	22,823	0	1,666	32,938

• Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

PROGRAMMATIC DIRECTIONS

The Office of the Vice Provost for Undergraduate Education (VPUE) serves as the nexus for key programs and initiatives to facilitate students' acclimation to college-level work and to help them define and achieve their intellectual ambitions. Sarah Church became the new vice provost for undergraduate education in June 2020. With Sarah's appointment came the move of the Haas Center for Public Service and the return of the Center for Teaching and Learning to VPUE. Both organizations jointly report to the vice provost for graduate education.

VPUE is looking forward optimistically to 2021/22 with the hope that students will return to campus in the fall, classes can be taught in person, and interactions with students can be face to face. VPUE also hopes that students will be able to travel safely once again, enabling study abroad and experiential learning opportunities beyond the main campus. The new ResX residential neighborhood model is an exciting change for next year, and VPUE remains deeply engaged in working with campus partners to create learning opportunities not just in the classrooms but also in the residences.

There will certainly be challenges ahead as well. VPUE will need to scale its programs and courses for the anticipated enrollment surge of approximately 400 more first-year students. While some short-term staffing will be added, supporting a larger student body with the reduced staff resulting from the 2020/21 long-term budget reductions will be challenging. In addition, the reopening of VPUE's global centers will require much careful attention, following both Stanford policies and specific local guidance.

Looking ahead, VPUE is focused on the following priorities in 2021/22:

- **Enhancing and expanding Academic Advising:** Academic advisors work extensively with frosh and sophomores who have not yet declared a major, but students continue to interact with their advisors after declaring. The professional advisors are on the front lines every day supporting students in a myriad of ways. VPUE will add one academic advisor in 2021/22 and will continue to seek additional funding to increase the number of advisors to optimize the ratio of students to advisors.

■ **Advancing efforts in diversity, equity, and inclusion (DEI):**

VPUE is engaged in this effort both through the Inclusion, Diversity, Equity, and Access in a Learning Community (IDEAL) education initiative and internally with its staff. In IDEAL education, the focus is on inclusive classrooms, equitable opportunities, and equitable outcomes. In support of IDEAL, VPUE is making incremental investments in the Center for Teaching and Learning for workshops, teaching grants, tutoring, and other department-based support. Internally, VPUE launched five working groups in 2020/21 to focus on specific aspects of DEI and aims to implement the groups' recommendations in 2021/22, including the hiring of a director of DEI.

■ **Launching the new first-year requirement, COLLEGE:** In spring 2020, the Faculty Senate approved the move from the one-quarter Thinking Matters requirement to a new two-quarter requirement called Civic, Liberal, and Global Education (known as COLLEGE). COLLEGE will be piloted in fall 2021 as a one-quarter requirement and will become a two-quarter requirement in 2022/23. New courses have been added, such as *Why College?* and *Citizenship in the 21st Century*. COLLEGE also aims to create a shared intellectual experience among first-year students, and there is close collaboration with campus partners to expand its impact from the classroom to the residences and beyond.

■ **Planning for a larger first-year class:** VPUE expects to expand its course offerings to ensure all required first-year courses (e.g., COLLEGE and the writing requirement) have enough spaces and there is adequate choice to accommodate the enrollment surge. VPUE is also scaling its Introductory Seminars for frosh to ensure more opportunities and will do the same for Sophomore College and Arts Intensive in September 2022. The enrollment surge will continue through the students' four years, so VPUE will continue to scale its programs annually to ensure there are more offerings rather than making limited opportunities even more competitive.

CONSOLIDATED BUDGET OVERVIEW

VPUE projects a 2021/22 consolidated budget with total revenues and operating transfers of \$61.8 million and total expenses of \$69.4 million, yielding a deficit of \$7.5 million and an anticipated ending fund balance of \$32.9 million. No significant asset transfers are anticipated. Compared with 2020/21 year-end projections, there will be an 8% increase in revenues and operating transfers and a 30% increase in expenses.

VPUE's two main sources of annual revenue will continue to be endowment payout and general funds. While both will increase in 2021/22, the most significant growth is expected in student fees (student income and other external income categories), driven by the assumption that VPUE's domestic and international programs will restart. The substantial rise in expenses as compared to the 2020/21 year-end projection is driven by several factors, including the added costs of the enrollment surge. However, the most significant is that expenses have fallen sharply in 2020/21 due to cancellations of global and domestic programs and the limited virtual opportunities for research grants and service fellowships. Expenses are assumed to return to more typical levels in 2021/22.

The sharp decline in 2020/21 expenses is projected to create a significant year-end surplus for 2020/21 and increase fund balances accordingly. Given the surplus, VPUE plans to cover the additional surge-related projected expenses (\$1.6 million gross) mainly through reserves in 2021/22. VPUE will closely monitor surge-related costs annually and may need to draw down reserves in future years to help offset additional expenses. In addition, VPUE has not yet found alternative funding for recently lost expendable gifts, so reserves will also be used to support programs where expendable giving has declined or long-term funding has yet to be found. VPUE will continue to work with the Office of Development to identify possible donors for current and new initiatives.

VICE PROVOST FOR GRADUATE EDUCATION

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
10,255	14,245	General Funds Allocation	14,318					14,318
36,936	38,747	Restricted Revenues		10	39,704			39,714
12	(1)	Internal Revenue		(1)				(1)
(506)	(429)	Operating Transfers	40,784	(1,231)	(38,962)			591
46,697	52,562	Total Revenues	55,102	(1,221)	741	0	0	54,622
Expenses								
4,946	4,216	Compensation	4,307		29			4,336
43,110	46,569	Non-Compensation	50,795	1,037	1,515			53,347
48,057	50,785	Total Expenses	55,102	1,037	1,544	0	0	57,683
(1,360)	1,777	Operating Results	0	(2,258)	(803)	0	0	(3,061)
(297)	(1,816)	Transfers From (To) Assets			(916)			(916)
(1,656)	(39)	Surplus / (Deficit)	0	(2,258)	(1,719)	0	0	(3,977)
46,310	44,654	Beginning Fund Balances	0	16,914	27,700	0	0	44,614
44,654	44,614	Ending Fund Balances	0	14,656	25,981	0	0	40,637

• Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

The Office of the Vice Provost for Graduate Education (VPGE) furthers Stanford University's commitment to its graduate students and to excellence in graduate education. VPGE serves Stanford's entire graduate student community: around 9,000 master's, doctoral, and professional degree students in over 200 graduate degree programs within all seven schools. Working collaboratively across the university, VPGE offers initiatives and resources that enrich students' academic experiences at Stanford by advancing diversity, preparing leaders, and positioning Stanford at the forefront of innovation in graduate education.

VPGE's Priorities

- Administer university-wide graduate fellowship programs.
- Advance graduate student diversity.
- Foster interdisciplinary learning and interschool networking opportunities.
- Provide professional development resources and guidance to graduate students.
- Promote academic innovation within and across graduate degree programs.

- Recommend, promulgate, and interpret university-wide graduate academic policy.
- Facilitate collaborative problem-solving on university-wide issues.

Over 2020/21, structural changes strengthened collaboration and the support of graduate students across the university. As of September 1, 2020, both the Center for Teaching and Learning (CTL) and the Haas Center for Public Service moved from reporting to the Vice Provost for Student Affairs to dual reporting to both the Vice Provost for Undergraduate Education and VPGE. CTL and Haas provide support for graduate students in many ways, and VPGE is ready to expand these relationships through the new reporting structure. In 2017, the Office of Postdoctoral Affairs began reporting to VPGE and the School of Medicine's Office of Graduate Education, and these ties continue to grow.

Graduate Funding and Fellowships

VPGE continues to manage funds from the provost for a variety of graduate student support programs, including the Go Pass, the Caltrain transportation pass provided to graduate students

and postdocs. Since 2007, VPGE has managed funds from the provost that help meet the National Science Foundation Graduate Research Fellowship Program's tuition shortfall. VPGE also oversees two new mechanisms for support introduced by the provost over the past year. In the summer of 2020, VPGE provided 51 teaching fellowships to students whose funding diminished due to the COVID-19 pandemic. Effective in summer 2021, VPGE will manage funds allocated by the provost toward implementing the Affordability Task Force recommendation to ensure all doctoral students who are making satisfactory academic progress receive a minimum commitment of 12 months of funding annually for up to five years.

VPGE administers eight university-wide fellowship programs. Endowment income covers the expenses for the Stanford Graduate Fellowship (SGF), Stanford Interdisciplinary Graduate Fellowship (SIGF), the Gerald J. Lieberman Fellowship, and the Shoucheng Zhang Fellowship programs, while general funds support the Diversifying Academia, Recruiting Excellence Doctoral Fellowship Program (DARE), the Enhancing Diversity in Graduate Education Doctoral Fellowship Program (EDGE), the Center for Comparative Studies in Race and Ethnicity Graduate Fellowship (CCSRE), and the Achievement Rewards for College Scientists Scholar Fellowship. Stanford had 4,771 PhD students enrolled in fall 2020/21. Over the last five years, VPGE has provided some sort of fellowship funding to approximately 750 fellows annually, approximately 15% of doctoral students.

The EDGE and SIGF programs have grown over the last few years. EDGE has leveled out to about 100 graduate students supported annually, with another 175 receiving travel and research funding or mentor stipends, for a total of about 275 EDGE fellows in any one year. EDGE fellows receive \$6,500 in stipend in the first year and can apply for up to \$6,300 in travel and research funds. The number of SIGF fellows has increased to align with endowment payout and will reach the steady-state number of 100 by 2022/23. The Zhang Fellowship, newly created in 2019, will fund 12 fellows annually.

Diversity, equity, and inclusion (DEI) is a key priority of the Inclusion, Diversity, Equity, and Access in a Learning Environment (IDEAL) campaign. VPGE fellowship programs focused on DEI (e.g., DARE, EDGE, and CCSRE) are uniquely prepared to be core to the new efforts. In addition to improv-

ing the campus climate, these programs increase the diversity of future faculty, especially faculty from underrepresented backgrounds, including racial and ethnic minorities as well as women in STEM. Supporting these fellowship programs signals the importance of building a diverse and inclusive university.

CONSOLIDATED BUDGET OVERVIEW

VPGE budgetary commitments leverage the broader strengths of the university's mission-critical functions in graduate education. Since 2015, VPGE's fiscal strategy has been to continue an annual consolidated budget deficit covered by designated and endowed funds as the balances are ultimately spent down.

VPGE remains in a strong financial position, supporting a wide array of multiyear fellowships and innovative programs for graduate students across the university. VPGE projects a 2021/22 consolidated budget with total revenues and transfers of \$54.6 million, expenses of \$57.7 million, resulting in an operating deficit of \$3.1 million. After asset transfers of \$916,000, a drawdown of \$4 million in fund balances is expected. This will reduce the consolidated fund balance to \$40.6 million. Compared with 2020/21 year-end projections, 2021/22 revenues and transfers will increase by 3.9% and expenses will increase by 2.8%.

Consolidated expenses in 2021/22 consist of 88% direct graduate student support, 8% compensation and benefits, and 4% programmatic non-compensation expenses. VPGE expects to provide \$50.9 million in direct graduate student funding from endowment (\$38.6 million) and a combination of general, designated, and expendable funds (\$12.3 million). Graduate student funding continues to be a top priority. Across the university, administrators, faculty, staff, and students have come to depend on VPGE's multiyear commitments in their budgets.

VPGE targets a fund reserve of approximately \$12 million, or 25% of expenses, across all endowments. This reserve (which includes \$8 million for the SGF program) is reasonable to maintain the viability of each program in times of recession or unanticipated cost increase.

While VPGE awaits more recommendations from the Affordability Task Force, the office is working intensively with the schools and departments to focus on providing consistent support for doctoral students, including pandemic-related support, as needed.

VICE PRESIDENT FOR THE ARTS

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
5,486	4,509	General Funds Allocation	5,415					5,415
15,473	12,182	Restricted Revenues		13,733	13,199	304		27,237
(48)	(66)	Internal Revenue		(926)	(3)			(929)
76	477	Operating Transfers	18,063	(4,198)	(14,450)			(586)
20,987	17,103	Total Revenues	23,478	8,609	(1,254)	304	0	31,137
Expenses								
12,060	11,144	Compensation	12,377			113		12,490
9,148	7,233	Non-Compensation	11,245	8,675	43	191		20,153
21,207	18,377	Total Expenses	23,622	8,675	43	304	0	32,644
(221)	(1,274)	Operating Results	(144)	(65)	(1,297)	0	0	(1,506)
1,320		Transfers From (To) Assets						0
1,099	(1,274)	Surplus / (Deficit)	(144)	(65)	(1,297)	0	0	(1,506)
25,373	26,472	Beginning Fund Balances	287	2,570	22,341	0	0	25,198
26,472	25,198	Ending Fund Balances	142	2,504	21,045	0	0	23,691

• Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

The Office of the Vice President for the Arts (VPA) is dedicated to increasing the visibility and impact of the arts at Stanford. Faced with COVID-19, the VPA units have demonstrated creativity and resourcefulness in pivoting to digital content and adapting operating practices. However, facility closures and remote student life have upended their ability to deliver on their core missions. A top priority in 2021/22 is therefore to safely reopen arts facilities and return to robust in-person programs, with artists playing a central role in rebuilding community and society.

Another priority is to move VPA into its next phase. Following the departure of inaugural VP Harry Elam in July 2020, interim leadership conducted a thorough analysis to determine how to best structure and support arts activities. The outcome is that Stanford will conduct a national search for its first full-time vice president for the arts, who will collaborate to bring forward a future-facing vision and plan for the arts at the university.

From the analysis process, clear opportunities emerged that will orient VPA moving forward and connect the arts to Stanford's Long-Range Vision:

- In a society that has experienced health crises, isolation, technological mediation, economic fractures, civil unrest, and serious political discord, the arts can provide a way of connecting, processing, and recognizing our purpose. There are corresponding opportunities to redeploy Stanford's human and organizational assets with renewed focus on people, community, emotional and physical well-being, and engagement.
- The arts have a specific and powerful role to play in advancing social justice and catalyzing culture change. The Institute for Diversity in the Arts has an especially long and successful track record in this area; accordingly, efforts are underway to amplify its work.
- With its unique strengths and resources, Stanford can fuel the evolution of the arts and provide broad access to them by nurturing new creative voices, connecting the arts to other disciplines, and serving as a hub for innovation and research.

The incoming VP will be charged with advancing these opportunities, in collaboration with the unit directors. Another

specific plan is to launch the Arts Incubator (an initiative of the Long-Range Vision), reimagined to primarily catalyze exciting ideas and projects brought forward by Stanford faculty.

CONSOLIDATED BUDGET OVERVIEW

VPA is planning for a return to more typical operations in 2021/22, having arts venues open with few to no restrictions, and ramping up programmatic activities with students' full return to campus. Notably for the budget, a full season of Goldenvoice performances at Frost Amphitheater is anticipated. Gross revenue from partner ticket sales is reflected in VPA's financials, along with corresponding expenses to vendors and revenue share with Goldenvoice.

VPA projects a 2021/22 consolidated budget with total revenues and operating transfers of \$31.1 million (\$22.5 million excluding Goldenvoice) and expenses of \$32.6 million (\$24.0 million excluding Goldenvoice). This results in an operating deficit of \$1.5 million, which primarily reflects the use of reserves for programs that have specific donor funds or were postponed from 2020/21.

Revenues and transfers are expected to increase from 2020/21. In addition to Goldenvoice pass-through revenue, earned income is anticipated to be higher by \$4.3 million with Stanford Live returning to a full performance season and the first full year of Frost shows. Gift revenue is expected to be higher by \$1.6 million, mainly due to a return to more typical activities allowing for fundraising opportunities. An increase in general funds allocation (\$725,000) and corresponding decline in operating transfers are primarily driven by conversion of one-time president's funds to ongoing general funds in support of Anderson Collection operations, in accordance with the Anderson Collection gift agreement. The remaining decline in operating transfers is due to higher infrastructure charges, the ending of one-time commitments from the Office of the President and Provost and the School of Humanities and Sciences, and increased transfers to campus partners. With programmatic activities resuming in 2021/22, VPA will be transferring funds to support postponed Denning visiting artists, installation of the public art Plinth Project, and increased grants for student arts engagement activities. The decline in

internal revenue reflects the net amount of revenue generated, where the internal infrastructure charge assessed on Goldenvoice pass-through revenue is recorded as a reduction of revenue instead of as an expense.

Expenses are expected to increase in 2021/22 by \$5.7 million (excluding Goldenvoice pass-through), primarily due to return to typical programmatic spend along with related marketing, development, and operations costs. Compensation will increase with contingent staff hires to support performance production and backfill of positions vacated in the last year. One critical leadership hire will be a new director for the Cantor Arts Center.

VPA's financial priorities in 2021/22 are to:

- Reallocate and seek funding to support programmatic priorities related to diversity, equity, inclusion, and justice in the arts;
- Seek new revenue opportunities at Cantor to support sustainable operations and programmatic priorities, and support leadership in developing program priorities aligned with existing funding sources; and
- Support development and piloting of new initiatives, including the Arts Incubator and the Stanford Arts Institute's inter-arts minor, through the use of reserves while seeking ongoing funding opportunities.

VPA's total reserve balance is significant, at \$25.2 million beginning in 2021/22. However, over 90% of VPA fund balances are under department/program control. The limited funds controlled at the VP level are non-capital project funds, ISC recovery, and general funds budget savings. Additionally, reserves are unevenly distributed among the VPA units and highly restricted. Cantor controls 60% of the fund balance (largely restricted to specific types of exhibitions, art acquisitions, and vacant endowed staff positions), and VPA Office Programs controls 23% (mostly restricted to specific programs). Stanford Live, the Anderson Collection, and the Institute for Diversity in the Arts each control no more than 5%. Future programmatic priorities will need to take into account the highly restricted nature of VPA funds and fund balances.

HOOVER INSTITUTION

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
(7,238)	1,221	General Funds Allocation	1,248					1,248
64,676	70,269	Restricted Revenues	49	715	66,312	694		67,769
115	191	Internal Revenue		198				198
540	(82)	Operating Transfers	69,539	(1,013)	(68,526)			0
58,092	71,599	Total Revenues	70,836	(100)	(2,214)	694	0	69,216
Expenses								
45,260	45,145	Compensation	47,637	8	848	540		49,034
24,437	22,268	Non-Compensation	23,199	(131)	1,822	154		25,044
69,697	67,413	Total Expenses	70,836	(123)	2,670	694	0	74,077
(11,604)	4,186	Operating Results	0	23	(4,884)	0	0	(4,862)
12,872	(2,450)	Transfers From (To) Assets			750			750
1,268	1,736	Surplus / (Deficit)	0	23	(4,134)	0	0	(4,112)
23,466	24,734	Beginning Fund Balances	18	367	26,084	0	0	26,470
24,734	26,470	Ending Fund Balances	18	390	21,950	0	0	22,359

• Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

With its eminent scholars and world-renowned archives, the Hoover Institution seeks to improve the human condition by advancing ideas that promote economic opportunity and prosperity, while securing and safeguarding peace.

Under the leadership of its new director, Condoleezza Rice, Hoover will align expenses to its institutional priorities, with growth planned in areas of strategic importance. Hoover's research program will be organized around seven key areas: Challenges in Advanced Capitalist Societies, America and the World, Revitalizing History, State and Local Governance, Public Opinion, China, and Technology and Governance. The institution will invest in growing the fellowship to drive these research priorities. In the coming year, Hoover will conduct top-quality academic research, collect and preserve the most important historical material in its Library & Archives, and expand and deepen the reach of Hoover research via quality education and communication programs.

Hoover's hallmark is independent policy scholarship, distinguished by empirical and intellectual rigor. Accordingly, revitalizing the fellowship continues to be a key priority of the institution. To execute on new appointments, the institution

formed a fellows hiring committee, seeking to identify individuals at the top of their academic fields whose research has an impact on public policy. Planned appointments to the senior fellowship will bolster the existing fellowship in alignment with the research priorities of the institution and will aid Hoover's diversity and inclusion goals. Hoover hopes to add five new senior fellows to its ranks by the end of 2022/23. Hoover will also continue its Hoover Fellows Program, now in its second year. The program attracts younger scholars to Hoover for five-year terms at the age when they have proven their scholarly potential and have their best work still before them. The 2021/22 budget plan includes expenses for three new full-time senior fellows and three additional Hoover fellows.

The Hoover Institution Library & Archives seeks to preserve the historical record and make it accessible to researchers around the world. The Library & Archives plans to focus collecting efforts on crucial geographic and intellectual areas by adding unique material of national and global interest. In the coming year, it anticipates targeted acquisitions on the work of free market economists, the struggle against communism, and the U.S. war on terror. Simultaneously, the Library & Archives

seeks to broaden its reach through digitization. In the near term, this means hiring skilled staff with the technical competency to carry out the digital vision and sustaining partnerships with peer institutions and vendors for mass digitization.

In the coming year, Hoover will expand and deepen the reach of its research by communicating with key constituents. The institution will invest in new staff and strategic partnerships and will leverage its enhanced web platform to increase its reach to policy makers, influencers, the attentive public, and students at Stanford and beyond. Outreach to students will be an area of significant focus and will be achieved via in-person events, online offerings, targeted products, and expanded internship programs.

Hoover's planned growth comes after a period of constraint due to the COVID-19 pandemic. In response to endowment payout declines and expected expendable gift declines, Hoover reduced expenses by \$5 million in the 2020/21 budget through a combination of position eliminations and discretionary spending reductions. Operationally, Hoover shifted to remote work due to shelter-in-place orders at the start of the pandemic, pivoting from in-person events to a robust slate of virtual programming and transitioning from physical access to archival materials in Hoover's reading room to digital delivery direct to researchers.

With the hope of a gradual return to campus in 2021/22, Hoover will utilize learnings from the past year to optimize activities and expenditures. Fortunately, the planned reduction in gifts did not materialize, with donors generously giving at levels exceeding those achieved prior to the pandemic. Financially, Hoover is well positioned for future growth and will steward its donor resources wisely. Hoover is planning for a new way of working by taking inventory of what has been learned about delivering on the mission in a virtual environment and leveraging those findings for a blended virtual and physical future.

In the physical space, Hoover expects construction to commence shortly on the George P. Shultz building, a 55,084-gross-square-foot building on the site of the existing Lou Henry Hoover Building. The total project budget is \$75.7 million and is fully funded with donor gifts and pledges. Groundbreaking on the project is scheduled for summer 2021, with project completion in fall 2023.

CONSOLIDATED BUDGET OVERVIEW

For 2021/22, Hoover projects total revenues of \$69.2 million and expenses of \$74.1 million. In prior years, Hoover received restricted gifts and endowment payout for specific projects and scholars in advance of associated expenditures. In some cases, gifts were placed in pending funds awaiting designation. Net of an expected asset transfer of \$750,000 from one of these pending funds, Hoover will use \$4.1 million of these accumulated restricted reserves to balance the budget. Year-end fund balances are expected to total \$22.4 million.

Revenues will decline by \$2.4 million in 2021/22 because there were large unplanned gifts in the current year. Hoover's gift revenue in 2020/21 includes \$5.2 million in estate gifts, an amount not likely repeatable in future years. Hoover will transfer the majority of these estate gifts to endowment to underwrite its priorities on an ongoing basis. In 2021/22, Hoover expects ongoing giving to remain strong, with expendable gifts totaling \$34.8 million, \$3.1 million more than in the 2020/21 budget. Endowment income will grow 8.7%, with the variance to university growth projections due to new endowment gifts and transfers.

Strong revenue results in 2020/21 and 2021/22 support expenditure growth aligned to Hoover's priorities. Additions to the fellowship, staff growth, and the university salary program drive compensation expense growth in 2021/22. Non-compensation expenses will also grow dramatically with a return to some in-person events and travel and with expanded strategic partnerships. Expense growth will be judicious, with events and travel only resuming where the activity provides a strategic advantage, and headcount added only where aligned with priorities.

STANFORD UNIVERSITY LIBRARIES

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
58,688	55,175	General Funds Allocation	57,197				1,600	58,797
27,937	26,617	Restricted Revenues		694	18,404	1,957	6,750	27,804
911	810	Internal Revenue	715	66			10	791
2,873	2,134	Operating Transfers	13,874	(276)	(12,392)		889	2,095
90,408	84,735	Total Revenues	71,786	484	6,012	1,957	9,249	89,488
Expenses								
48,026	47,919	Compensation	45,764		563	995	5,878	53,200
38,027	34,288	Non-Compensation	26,022		5,275	962	4,477	36,736
86,053	82,208	Total Expenses	71,786	0	5,838	1,957	10,355	89,935
4,354	2,528	Operating Results	0	484	174	0	(1,106)	(447)
(1,389)	(2,275)	Transfers From (To) Assets	0		3			3
2,965	252	Surplus / (Deficit)	0	484	177	0	(1,106)	(444)
14,009	16,974	Beginning Fund Balances	56	7,950	7,305	0	1,915	17,227
16,974	17,227	Ending Fund Balances	56	8,434	7,483	0	810	16,783

• Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

Stanford Libraries sparks curiosity, elevates knowledge, and transforms scholarship by partnering with students, faculty, and researchers on their academic journeys and connecting them to world-class information resources. The Cecil H. Green Library, nestled in the heart of the university, along with 15 other branch and auxiliary sites, is a platform for that work. While COVID-19 required all of Stanford's libraries to close to staff and readers from mid-March to early June 2020, all libraries provided, and still provide, virtual services in support of online courses and research. Beginning in early June, Green Library, in its role as a primary laboratory for the university's humanities and social sciences researchers, reopened on a limited schedule. It has remained open and accessible to faculty, students, and staff, as has the East Asia Library. Through dedication and creativity, Libraries staff found new and impressive ways to provide remote services this past year, including an added focus on digitization, expanded digital access to collections, and increased investments in e-resources. Also in early June 2020, the Libraries implemented a new paging service, allowing materials to be paged from any library and then picked up at the front door of Green Library. As the university looks towards pandemic recovery in the coming months and years, Stanford

Libraries stands ready to support Stanford's reemergence as a vibrant place for learning, discovery, innovation, expression, and discourse in a post-COVID world.

Stanford Libraries will focus on the following strategic priorities in 2021/22:

- **Build an Office of Scholarly Communications (OSC):** With the Faculty Senate's November 2020 adoption of an institutional open access (OA) policy, the Libraries will shift its focus towards establishing and implementing a university-wide scholarly communications program that both drives innovation in the global OA movement and aligns with Stanford's vision of accelerating research through shared platforms. To start, it is envisioned that two to three FTEs with deep expertise in the academic publishing market will be recruited to staff Stanford Libraries' OSC, which will be charged with the following:
 - Help campus researchers better understand the aims and benefits of OA and how to confidently navigate through a rapidly shifting scholarly publishing landscape.
 - Provide copyright and information policy education and services.

- Support enhanced organizational competencies in the digital sharing and preservation of scholarship.
- Advocate on behalf of both individual faculty and the larger university in negotiations with academic publishers.
- Evaluate and propose new business strategies that have the potential to substantively shift the current scholarly publishing industry towards a more sustainable funds flow model.
- **Prepare for a Libraries-wide systems migration and implementation of FOLIO:** For the past 25 years, Stanford Libraries has utilized the Symphony Workflows integrated library system (ILS), licensed from Sirsi-Dynix, as the official enterprise system of record to inventory over 13 million discrete library assets, manage hundreds of thousands of acquisition orders stretching over multiple years, release vendor invoices for payment, provide metadata supporting research and discovery, and administer all patron borrowing records and privileges. Both costly and outdated, the Symphony ILS no longer meets the modern needs of large research libraries, whose collections have become more heavily focused on e-resources and whose operations demand more efficient workflows and streamlined coordination with partner organizations. FOLIO, a flexible, open-source, next-generation library systems platform, has emerged as the most promising candidate to replace Symphony. It is expected that most of 2021/22 will be spent planning and preparing for this enterprise systems migration, with a final cut-over targeted for the third quarter of 2022/23.
- **Complete work on the Hohbach Hall capital project:** Made possible by a generous gift from the Harold C. and Marilyn A. Hohbach Foundation, this project entails a complete renovation and transformation of the first floor of the East Wing of Green Library into a modern hub for study, teaching, exploration, and learning. Once completed, the new space will be renamed Hohbach Hall and will include an impressive presentation space with seating for 70 individuals, a new Special Collections classroom dedicated to the examination of rare and unique objects, and an exhibitions promenade highlighting the unique history of Silicon Valley. Construction commenced in November 2020, and the project is slated for completion in January 2022.

- **Address continued fragility in the Library Information Budget (LIB):** While collections remain core to the Libraries' mission, price inflation in the library materials market continues to far outpace the rate at which base general funds are allocated to support these purchases. Moreover, with an ever-increasing percentage of the LIB committed to recurring orders and/or more costly e-resources, the amount of discretionary funds available to support the more specialized information needs of Stanford's scholars diminishes even further. This remains an area of particular concern for the Libraries, and as it looks to the coming year, it remains hopeful that—with the support of university leadership and the Academic Council Committee on Libraries—increased philanthropy efforts will lead to new collection endowments to help address funding shortfalls.

CONSOLIDATED BUDGET OVERVIEW

Stanford Libraries projects a 2021/22 consolidated budget with total revenues and transfers of \$89.5 million and total expenses of \$89.9 million, yielding an overall deficit of \$444,000. Revenues plus transfers are expected to increase from the 2020/21 year-end projection by 5.6%, driven predominantly by endowment payout growth and the receipt of one-time general funds to support the Libraries' launch of the OSC and FOLIO system implementation efforts. Total expenses are expected to increase by \$7.7 million, or 9.4%, with 11.0% growth expected in the area of compensation. In addition to implementing the university's 2021/22 salary program, the Libraries expects to hire several incremental positions in the coming year, as new recruits will be needed both to staff up the OSC and to spearhead the FOLIO systems migration project.

Stanford Libraries anticipates ending 2021/22 with an overall fund balance of \$16.8 million, of which nearly 50% is held either in restricted funds or in funds dedicated to specific programs, such as LOCKSS (Lots of Copies Keep Stuff Safe), a self-supporting digital preservation auxiliary enterprise. Designated fund balances are expected to end 2021/22 at \$8.4 million, representing just over 9% of the Libraries' consolidated expense budget.

Note: Stanford University Press, which no longer reports up through Stanford Libraries but whose financials are still included in the table and figures above, expects to end 2021/22 with a \$292,000 operating loss.

SLAC NATIONAL ACCELERATOR LABORATORY

2021/22 CONSOLIDATED BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED FUNDS	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2021/22 TOTAL
Revenues								
3,007	1,943	General Funds Allocation	1,904					1,904
508,115	535,459	Restricted Revenues		300	199	575,227		575,726
6	(48)	Internal Revenue		(24)				(24)
721	1,269	Operating Transfers	126	1,000	151			1,277
511,848	538,623	Total Revenues	2,029	1,276	351	575,227	0	578,883
Expenses								
300,896	314,791	Compensation	875	251	147	325,000		326,273
210,024	223,379	Non-Compensation	1,325	1,184	64	250,227		252,800
510,921	538,170	Total Expenses	2,200	1,435	211	575,227	0	579,073
928	453	Operating Results	(171)	(159)	140	0	0	(190)
	(700)	Transfers From (To) Assets						0
928	(247)	Surplus / (Deficit)	(171)	(159)	140	0	0	(190)
4,848	5,775	Beginning Fund Balances	1,465	3,130	933	0	0	5,528
5,775	5,528	Ending Fund Balances	1,294	2,971	1,073	0	0	5,338

• Grants and Contracts revenue includes Indirect Cost Recovery; this same amount is charged as a Non-Salary Expense for infrastructure and general administrative costs of research.

Stanford University operates SLAC for the Department of Energy (DOE) through a management and operating contract. As one of 17 DOE national laboratories, SLAC performs research that helps solve real-world problems, advances the interests of the nation, and pushes the frontiers of human knowledge. SLAC invents tools that make those discoveries possible and shares them with scientists all over the world.

SLAC's success depends on a robust partnership with Stanford University to attract and support some of the world's best scientists, engineers, and staff. DOE has recognized that success in identifying Stanford's corporate stewardship of SLAC as best in class.

Scientific User Facilities

SLAC hosts numerous user facilities, drawing thousands of researchers from around the world annually. Over 100 Stanford faculty from more than 30 different departments perform research at SLAC's user facilities.

The Linac Coherent Light Source (LCLS) hard X-ray free-electron laser has transformed the field of X-ray science. To maintain world-leading pre-eminence, SLAC and DOE are

pursuing a series of developments (LCLS-II and LCLS-II High Energy [LCLS-II-HE]) that will expand the accelerator's range of X-ray energies, significantly enhancing scientific capability and capacity. The LCLS-II Instruments (L2SI) project will provide transformative tools for energy science, qualitatively changing the way that X-ray imaging, scattering, and spectroscopy can be used.

The Ultrafast Electron Diffraction instrument enables broad capabilities in ultrafast material science and chemical dynamics. SLAC is currently designing options to incorporate a state-of-the-art petawatt laser facility at LCLS. Once operational, the laser will allow researchers to create extreme states of matter with one of the highest peak power lasers in the world, and then probe these states with LCLS X-rays.

The Stanford Synchrotron Radiation Lightsource (SSRL) provides X-ray beams and advanced instrumentation for research ranging from energy storage to drug discovery. SSRL facilitates tremendous scientific synergy between SLAC and Stanford, as a large number of faculty groups from four Stanford schools pursue research enabled by SSRL.

A joint initiative between Stanford and DOE hosts a world-leading center, supported by the National Institutes of Health (NIH), for cryo-electron microscopy (cryo-EM). Cryo-EM is a transformative scientific tool of the future for atomic-resolution structural biology.

SLAC has several facilities enabling the pursuit of experimental approaches in accelerator development. The Facility for Advanced Accelerator Experimental Tests is a test bed for the development of innovative accelerator technologies.

Science Programs

SLAC takes a leadership role in identifying and pursuing new science, collaborating with Stanford to attract world-class scientists. In addition to large-scale user facilities, SLAC's core capabilities include advanced instrumentation, condensed matter physics and materials science, chemical and molecular science, accelerator science and technology, fusion energy science, and particle physics.

SLAC is a major partner in the ATLAS experiment at the Large Hadron Collider at the European Organization for Nuclear Research (CERN), which probes for fundamental particles. SLAC's cosmic frontier program includes the Fermi Gamma-ray Space Telescope, research and development efforts for the next generation of dark matter experiments, and construction of the Vera C. Rubin Observatory Legacy Survey of Space and Time (LSST) camera. SLAC has responsibility for the detector payload and offline computing for the Super Cryogenic Dark Matter Search (SuperCDMS) project, which will allow researchers to better understand the nature of dark matter.

SLAC is partnering with Stanford on sustainability and applied energy research in areas such as energy storage, grid modernization, and carbon capture. In fact, SLAC expenditures on its applied science programs roughly tripled between 2015/16 and 2019/20.

SLAC runs five joint research centers with Stanford, and together SLAC and Stanford educate and develop the U.S. scientific workforce in key technological areas. The joint institutes and

research centers create a competitive advantage by offering the combined capabilities of SLAC and Stanford to sponsors. These institutes include the Stanford PULSE Institute, the Stanford Institute for Materials and Energy Sciences, the SUNCAT Center for Interface Science and Catalysis, the Kavli Institute for Particle Astrophysics and Cosmology, and the Joint Initiative for Metrology in Biology center.

The unprecedented future data rates of SLAC's user facilities and projects (e.g., the Rubin Observatory) present a major challenge and compelling science opportunity for SLAC in the coming decade. Innovating massive-scale data analytics to meet these needs will greatly amplify the impact of SLAC's programs while expanding on strengths in quantum science and helping to train the field's next generation of scientists. SLAC is in discussions with Stanford on the construction of the Stanford Research Computing Facility Module 2 to support SLAC's growing data storage needs as well as the university's.

CONSOLIDATED BUDGET OVERVIEW

The 2021/22 consolidated budget for expenses is \$579.1 million. The DOE contract comprises \$567.2 million of this, with \$401.2 million for operations and research, \$159 million for construction, and \$7 million for fees and reimbursements paid to Stanford. The 7.3% growth over 2020/21 stems from the ramp-up of construction projects, including LCLS-II-HE, the petawatt laser facility, the Large Scale Collaboration Center, the Cryo-Module Repair Facility, and the Critical Utilities Infrastructure Revitalization project.

The difference between the consolidated budget and the DOE contract comprises a mix of funding sources, the largest of which is an NIH grant for equipment for the cryo-EM center.

Stanford is constructing the Detector Microfabrication Facility at SLAC. This new state-of-the-art facility for superconducting quantum circuits will allow for a new surge in the development of detectors and sensors. Space reimbursement paid by DOE to Stanford will increase by \$1.6 million per year once construction is complete in 2022/23.

CHAPTER 3

ADMINISTRATIVE & AUXILIARY UNITS

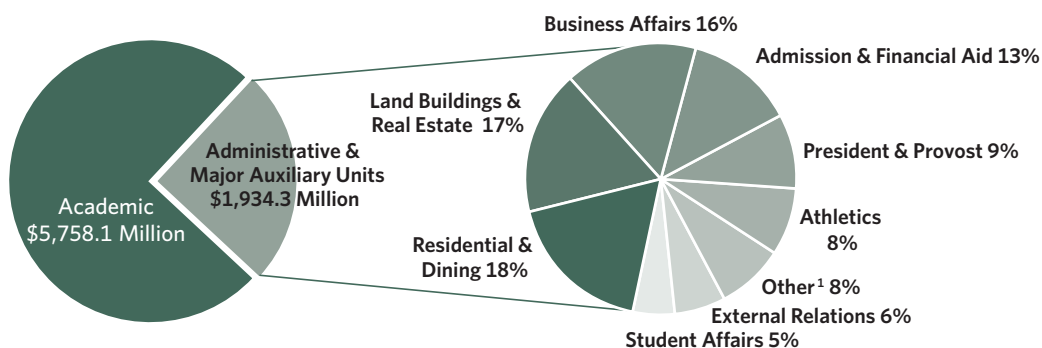
This chapter focuses on initiatives and priorities in selected administrative and auxiliary units of the university.

CONSOLIDATED BUDGET FOR OPERATIONS, 2021/22: ADMINISTRATIVE & MAJOR AUXILIARY UNITS

[IN MILLIONS OF DOLLARS]

	TOTAL REVENUES AND OPERATING TRANSFERS	TOTAL EXPENSES	RESULT OF CURRENT OPERATIONS	TRANSFERS (TO)/FROM ASSETS	CHANGE IN EXPENDABLE FUND BALANCE
Administrative Units					
Business Affairs	293.6	300.6	(7.0)	1.9	(5.1)
External Relations	106.8	108.3	(1.5)	0.0	(1.5)
General Counsel & Public Safety	56.0	55.7	0.4	0.0	0.4
Land, Buildings and Real Estate	345.6	333.7	12.0	(10.5)	1.4
Office of the President and Provost	166.8	169.0	(2.2)	0.7	(1.5)
Stanford Alumni Association	40.5	43.0	(2.5)	0.0	(2.5)
Stanford Management Company	39.8	39.8	0.0	0.0	0.0
Student Affairs	91.2	95.1	(3.9)	0.0	(3.9)
Undergraduate Admission and Financial Aid	258.5	259.0	(0.5)	0.0	(0.5)
University Human Resources	20.9	21.3	(0.4)	0.0	(0.4)
Major Auxiliary Units					
Athletics	160.8	160.8	0.0	0.0	0.0
Residential & Dining Enterprises	314.0	348.0	(34.0)	(2.1)	(36.2)
Total Administrative & Auxiliary Units	1,894.6	1,934.3	(39.7)	(10.0)	(49.7)

2021/22 Consolidated Expenses by Administrative & Auxiliary Units



¹ Other is Stanford Management Company, General Counsel & Public Safety, Stanford Alumni Association, and University Human Resources.

BUSINESS AFFAIRS

Business Affairs is the largest “mission support” organization at Stanford, providing systems, services, and policies in support of the university’s core academic mission while ensuring sound stewardship of the university’s assets and operating budget. Business Affairs’ vision is, “Together we will make administration seamless and efficient to enable and support teaching, learning and research.” Business Affairs units include Financial Management Services; University IT (UIT); Office of Research Administration (ORA); Office of the Chief Risk Officer (OCRO); Improvement, Analytics, and Innovation Services; and Office of the Vice President.

The 2021/22 consolidated budget for Business Affairs shows revenues and transfers of \$293.6 million and expenses of \$300.6 million, resulting in an operating deficit of \$7.0 million. The deficit is offset by \$1.9 million of asset-related transfers, leaving a \$5.1 million use of reserves. As a result, total fund balances are projected to decline to approximately \$26.4 million at the end of 2021/22. Reserves will fund strategic priorities as well as programmatic operating shortfalls as the organization pulls out of the pandemic and impacted funding streams normalize.

Revenues and transfers are projected to increase \$17.4 million, or 6.3%, from the 2020/21 forecast. Business Affairs will receive an incremental \$1.5 million (\$11.9 million total) in one-time funding for the Alumni and Development Applications Platform Transition (ADAPT) project to replace the university’s development system. Base general funds will increase by \$12.0 million, or 6.9%, including \$9.0 million of cost rise; \$1.9 million for additional staffing in ORA, OCRO, and UIT; \$486,000 in base buildup for Unified Endpoint Management; \$340,000 in support of enterprise system projects; and \$300,000 to centralize academic software licenses. Revenues are projected to increase by 4.5%, or \$4.8 million, owing to UIT service center rate increases, procurement rebates, and resumption of other services at pre-pandemic levels.

Total expenses are projected to be 5.9%, or \$16.6 million, higher than the 2020/21 forecast. The increase is driven by the filling of new and vacant positions, salary growth, cost rise, and additional spending on the ADAPT project.

Each year Business Affairs focuses on a specific group of principal initiatives, many of which span multiple years, with annual milestones and deliverables. These initiatives are focused on continuous improvement in delivering excellent client service,

making administrative processes and systems more efficient, and mitigating enterprise risk.

The top Business Affairs principal initiatives include the following:

- **Health check:** Evolve the technology to support efforts to minimize spread of COVID-19 in the Stanford community through all stages of the community’s return to campus.
- **Addressing racial injustice locally:** Conduct a deep dive on how to make the structural changes necessary to create a more diverse, inclusive, and equitable environment.
- **COVID-19 financial recovery programs:** In partnership with the University Budget Office, develop and implement processes for assessing and tracking the overall financial impact of COVID-19 on the university and units. This includes identifying, analyzing, documenting, and tracking external funding resources.
- **Contractor/vendor transformation and governance:** Build and pilot an ecosystem that enables a more streamlined “end to end” vendor management program, ensuring appropriate balances between risk management and customer enablement and between central and distributed roles and responsibilities.
- **Hybrid work:** Consider greater flexibility for remote work by assessing staff preferences, management flexibility, facility readiness, business culture dynamics, and associated technology implications.
- **Scope 3 emissions program:** Reduce, mitigate, or offset Stanford’s Scope 3 emissions to the maximum extent possible and establish a path that other institutions can follow in addressing their own Scope 3 emissions.

EXTERNAL RELATIONS

Established during 2018/19, the Office of External Relations strives to create broad and purposeful relationships with university stakeholders across the region, nation, and world. External Relations embraces and celebrates the diversity of Stanford’s constituencies and aligns the work of Stanford’s externally facing teams. The group’s five distinct functions are the Office of Development (OOD), University Communications, Government Affairs, Community Engagement, and the Chief Administrative Office. With its aim to support the university’s teaching and research mission that advances solutions for the many challenges facing our world, including affordability, accessibility, education, health, and sustainability, the External

Relations teams collaborate with partners across the university to enhance existing programs; develop new strategies for communications, engagement, philanthropy, and service; and strengthen goodwill among the communities Stanford touches and engages.

External Relations projects revenues and transfers of \$106.8 million and total expenses of \$108.3 million in 2021/22, resulting in the planned use of \$1.5 million in reserves. Fund balances are anticipated to decline due to increased commitments to support fundraising opportunities for core institutional priorities and initiatives that have emerged from the university's comprehensive long-range visioning (LRV) process, as well as the hiring of personnel required to meet the university's demands for communications and government affairs support.

The office's main funding sources remain central general funds and support from the School of Medicine and Stanford Health Care for Medical Center Development (a unit of OOD).

The project to replace the donor and alumni IT infrastructure system (ADAPT, the Alumni and Development Applications Platform Transition) is included in the financials of University IT (UIT), which falls under Business Affairs.

Non-salary expenses in 2020/21 are suppressed due to COVID-19 and the university's restrictions around events and staff travel, while salary costs are higher than anticipated due to growing vacation accrual balances and low turnover rates. In 2021/22, the office expects much higher non-salary expenses and growth in compensation due to salary increases, all leading to a total expense increase of 18.0%.

External Relations teams have been incredibly busy this year, and the external relations needs of the university will only grow in coming years. In 2019/20, philanthropic support for Stanford University, including both of its affiliated hospitals, reached \$1,362.6 million. Over half of all gifts made in 2019/20 were of \$200 or less, which is a testament to the dedication of alumni and friends in supporting the breadth of disciplines and activities at Stanford at all gift levels.

External Relations is embarking on a multipronged effort that will enable Stanford to reaffirm its mission of advancing the public welfare, as well as to secure resources to extend its contributions into the future. This includes the following plans:

- Develop and launch a fresh narrative around Stanford's story, its priorities, and its role as a purposeful university. This is as per the Long-Term Recovery Team's recommendations.

- Create strong ties with neighbors, reinforcing and improving the foundation for purposeful engagement in local and regional communities.
- Secure new philanthropic resources to fund core needs in the schools and units as well as to implement LRV initiatives.
- Make progress on proactive, coordinated communications across a variety of channels, portals, and entities.
- Strengthen and expand the local government affairs team and increase proactive outreach.
- Build out the new community engagement effort, with an initial focus on surrounding communities.
- Continue strong and coordinated collaboration with the Stanford Alumni Association (SAA).
- Complete the development and implementation of an enterprise system in partnership with UIT and SAA, and develop processes that maximize Stanford's ability to engage alumni and donors in timely, meaningful, and personalized ways.

GENERAL COUNSEL AND PUBLIC SAFETY

OFFICE OF GENERAL COUNSEL

The Office of the General Counsel (OGC) is responsible for addressing legal issues arising out of the activities of Stanford University, Stanford Health Care, and Lucile Salter Packard Children's Hospital at Stanford. Led by its vice president and general counsel, Debra L. Zumwalt, the office consists of in-house attorneys and support staff partnering with outside law firms.

OGC expects COVID-19-related work to continue for some time. In addition, litigation has largely been on hold during the pandemic due to court closures and that is expected to resume. Other trends that are expected to drive the demand and type of legal work include executive orders, regulation changes, and legislation under the new Biden administration.

The 2021/22 OGC consolidated budget projects \$31.4 million in consolidated revenues and transfers. Expenses are budgeted at \$31.4 million, leaving an estimated surplus of \$13,000. Of the revenues and transfers, \$18.6 million is a direct pass-through for healthcare legal services, \$7.0 million is from university units that reimburse OGC for legal services, and the remaining \$5.8 million is from general funds. The budget anticipates about a 20% increase in revenues and expenses over the

2020/21 projection based on the filling of open attorney and support staff positions at the beginning of 2021/22, continuing issues related to COVID-19, and the reopening of the courts.

OGC will continue to review the cost-effectiveness of outside counsel. Examples include the two recently completed requests for proposals (RFPs) for immigration counsel and benefits counsel.

At the beginning of 2020/21, OGC had \$6.1 million in designated funds, comprising three awards: legal services reserve (\$3.0 million), trademark enforcement (\$2.1 million), and budget savings (\$1.0 million).

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety (DPS) consolidated budget for 2021/22 projects \$24.6 million in revenues and transfers offset by \$24.3 million in expenses. Approximately 89% of DPS's 2021/22 budget is supported by general funds; 8% is supported by incoming transfers from Transportation Services for parking enforcement and related activities; and the remaining 3% comprises revenue received to support event security operations.

Revenue projections remain lower than pre-COVID-19 levels; it is unknown when athletic and other special events will return in their pre-pandemic form. DPS is anticipating salary savings as a result of a number of sworn officers having left DPS in 2021 for employment with other Bay Area law enforcement agencies. Historically, hiring and retaining sworn officers has proven difficult. Fewer people now want to enter the law enforcement profession, so competition is fierce for trained, high-quality, professional peace officers. DPS has filled all of its budgeted nonsworn security positions, for which turnover tends to be high to moderate. Overall, hiring and retaining personnel who meet the department's high expectations remain a challenge.

After over a decade of planning efforts, DPS took occupancy of the newly constructed Public Safety Building in February 2021. All members of the department are now housed within one building, providing a single hub for department functions.

Despite the hiring and retention challenges, DPS continues its aim to develop programs that will improve the services provided to the Stanford community and be responsive to the needs of that community. DPS is looking forward to the recommendations of the Community Board on Public Safety established by President Tessier-Lavigne in June 2020.

LAND, BUILDINGS AND REAL ESTATE

Land, Buildings and Real Estate (LBRE) is responsible for the university's capital plan; commercial real estate on endowed lands; campus utilities, grounds, parking and transportation, operational management of the Stanford Redwood City campus; and stewardship for 8,180 acres of campus and contiguous land. LBRE also manages operations and maintenance (O&M) for approximately 310 academic buildings and 10 parking structures totaling over 11.5 million square feet.

During 2021/22 LBRE estimates revenues and transfers of \$345.6 million and expenses of \$333.7 million, yielding an operating surplus of \$1.4 million following an expected transfer of \$10.5 million for capital renewal projects.

Total expenses in 2021/22 are expected to increase by \$6.4 million, or 1.9%, from 2020/21 as a result of incremental O&M costs of \$384,000 for new campus structures, primarily for the new Public Safety building and the Children's Center at Stanford West; compensation cost rise; and general increases in O&M and materials.

In addition to the responsibilities listed above, LBRE has the following 2021/22 noteworthy initiatives:

- **Wildfire Mitigation** — Through sophisticated modeling, Environment, Health and Safety (EH&S) and LBRE are identifying and evaluating Stanford's varying terrain, vegetation fuels, weather, and other factors to provide a detailed university-wide wildfire risk assessment of Stanford's 8,180 acres. Once complete, the modeling results will provide the basis for a prescribed fire mitigation program. Preliminary results suggest the implementation of an ongoing vegetation reduction program utilizing several approaches including, but not limited to, animal grazing, fuel break construction, forest thinning, and prescribed burning. One million dollars has been allocated to this program for 2021/22. LBRE will implement the program in consultation with EH&S.
- **Transportation** — Stanford Transportation was, and continues to be, significantly impacted by the pandemic through both government ordinances as well as university policy on sheltering in place and working from home. Budgeted parking permit, meter and charter revenues are down 29% from pre-pandemic (2018/19) levels, and all reserves have been exhausted to fund obligations. In late 2019/20 and early 2020/21, Stanford Transportation significantly reduced expenditures in the areas of Marguerite shuttles, the Clean

Air Cash program, charter services, and staff salaries. Even with those budget reductions, general funds will need to subsidize the department in 2020/21 and possibly again in 2021/22. With the return of students to the campus in fall 2021, some increased revenues are expected, but because the Return-to-Work initiatives underway will include flexible work schedules for many staff, it is unclear when the transportation budget will stabilize. Stanford Transportation is exploring new parking permit options to accommodate varying work schedules, as well as outsourcing parking enforcement to reduce costs. Some incentives such as Clean Air Cash, carpool parking, and vanpool development may be delayed until parking demand and/or peak hour trips return to pre-pandemic levels.

- **Resilience & Response** — LBRE plays a pivotal role in Stanford's emergency preparedness and response. Recent examples include the COVID-19 pandemic, campus power outages, chilled water curtailments, wildfire smoke, and wildfire mitigation. Climate change, aging infrastructure, and seismic activity are some of the potential threats requiring increased resiliency over the facilities and utilities infrastructure. LBRE has established a Resilience & Response department to consolidate and build upon LBRE's existing emergency management and employee safety personnel. The 2021/22 focus of this department will include establishing the Stanford Infrastructure Resilience Advisory and LBRE Resilience & Response Committees, implementing Stanford's wildfire mitigation program, developing a LBRE Emergency Plan and a LBRE Safety Training Program.
- **Capital Plan** — LBRE is responsible for developing and implementing Stanford's Capital Plan, which is fully described in Chapter 4.

OFFICE OF THE PRESIDENT AND PROVOST

The Office of the President and Provost (PPO) projects revenues and operating transfers of \$166.8 million and total expenses of \$169.0 million. After an expected transfer from plant funds of \$729,000, PPO plans to end 2021/22 using \$1.5 million in reserves. Because the pandemic has continued longer than was expected, units within PPO pivoted to online learning, discontinued travel and events, and made permanent staffing changes. PPO is anticipating year-end surpluses from savings, primarily in travel and events, from 2020/21 that

will be carried into 2021/22. Some units continue to project impacts from the pandemic into 2021/22, such as a decline in housing rents and the continuation of Continuing Studies and Stanford Pre-Collegiate Studies in a virtual format.

For 2021/22, PPO will continue using reserves to assist with staffing needs and cover unanticipated expenses throughout its organization and enhancements to systems and programs. A small increment of funds will support additional staff in Faculty Staff Housing and the Inclusion, Diversity, Equity, and Access in a Learning Community (IDEAL) Fellows Program to further the university initiatives associated with the Affordability Task Force (ATF) and the IDEAL presidential initiative.

In 2019/20, as a result of the long-range planning process, the Office of Campus Engagement (OCE) was created to strengthen connections within the campus community and increase ties to the university's mission. This effort was the result of broad and strong feedback from community members that increasing engagement across campus would advance the collective commitment to the academic mission and strengthen the resiliency and sustainability of the institution. OCE seeks to respond to these requests for engagement and change to increase faculty and student satisfaction, encourage recruitment and retention of staff, and boost employee morale. In 2020/21, OCE will continue to focus efforts in the following areas:

- Town Center strategic planning
- Big 5 event coordination
- Campus Conversation series of town halls
- Development and implementation of long-range vision to amplify nonpartisan civic engagement efforts
- Campus naming policy
- Strategy in public art
- Long-term recovery initiatives

In fall 2021/22, the Knight-Hennessy Scholars Program (KHS) will welcome its fourth cohort of up to 85 scholars. As the global pandemic unfolded last spring, KHS quickly pivoted to provide relevant and creative virtual programming. Scholars remained engaged and participated fully in the online events. Some highlights included the following:

- Scholars analyzed leadership during important moments in history in a highly interactive series, "Leading in Turbulent Times."

- Scholars heard from a wide range of community leaders about their roles and decision making.
- Mentorship opportunities continued via Zoom.

Looking ahead, KHS has redefined the leadership model. It has also expanded curriculum to accommodate the growing community of scholars and their diverse needs, including introducing collaborative cross-cohort “KHeystone” projects and micro-communities to foster connection and well-being coaching. In addition, it will graduate its second cohort of scholars, who started the program in 2019.

PPO is working with the dean in the Office of Religious and Spiritual Life (ORSL) to develop a plan for programs and staffing levels in the context of slower growth in endowment income. ORSL has several highly restricted endowments with reserve balances, and PPO and ORSL are reviewing these to see which funds might support additional uses related to programming, pivoting to online services, church maintenance, and/or staff.

STANFORD ALUMNI ASSOCIATION

The Stanford Alumni Association (SAA) projects \$29.4 million in gross revenue, \$11.1 million in operating transfers, and \$43.0 million in total expenses in 2021/22, resulting in a reduction of \$2.5 million in its consolidated fund balance. Reserve balances are projected to be \$960,000 at the end of 2021/22. While there remains considerable uncertainty regarding the timing and rate at which SAA revenue-generating operations will resume, SAA expects these operations to experience significant recovery in 2021/22. If needed, SAA is prepared to withdraw funds from the Life Membership Quasi Endowment Fund at the end of 2021/22.

Following two highly challenging years, in which SAA’s revenue-generating activities were at a near standstill and dramatic workforce reductions were implemented, SAA is looking to 2021/22 with cautious optimism. SAA’s 2021/22 budget plan assumes significant improvement with regard to COVID and its impact on SAA operations. While some activities and offerings are assumed to remain limited in fall quarter (e.g., large in-person events, travel to some destinations), it is expected that all SAA programs will return to full capacity by winter quarter. Optimism stems from early indications of pent-up demand for a number of SAA offerings that were severely curtailed due to the pandemic.

In the 2021/22 budget, business and program revenues coupled with income from lifetime membership and other endowment fund payouts will generate over 75% of SAA’s gross revenue. The remaining revenue will come from base general funds, available one-time bridge funds allocated in 2020/21, and presidential funds. Gross revenue and gross expenses will increase significantly from 2020/21 projected levels.

The 2021/22 presidential funds provide for a new SAA position to support Stanford’s efforts to identify, recruit, and benefit from a more diverse group of alumni volunteer leaders. This position provides SAA with a unique opportunity to accelerate progress in further diversifying Stanford’s alumni volunteer leadership ranks at the highest level. SAA is focused on diversity, equity, and inclusion (DEI) across its portfolio of offerings and is also turning the DEI lens on internal operations, particularly in the area of talent acquisition.

The transformation of SAA’s digital presence and offerings through the overhaul of the alumni and donor database and online ecosystem remains a key priority in 2021/22. This effort is supported by general funds allocated to the Alumni and Development Applications Platform Transition (ADAPT) program managed by University IT. Alumni are already benefiting from this work with alumni groups, clubs (SAA and Graduate School of Business), and Reunion Homecoming classes migrating to Stanford Groups, a modern engagement platform, and marketing automation tools allowing more strategic constituent communication journeys and tracking. Virtually every offering in SAA’s portfolio will be enhanced and modernized as a result of this significant technology transition.

A smaller workforce and ever-present operating cost pressures are driving ongoing efforts across SAA to find new and creative ways to deliver on constituent expectations with fewer resources. SAA remains highly focused on strategic subsidy management and revenue generation and continues to seek out and seize opportunities for cost savings and process improvements that deliver both higher effectiveness and greater efficiency.

Throughout, SAA’s mission is unchanged—to reach, serve, and engage all alumni and students; to foster a lifelong intellectual and emotional connection between the university and its graduates; and to provide the university with goodwill and support. Staying focused on this mission will allow SAA to deliver heightened connection, increased engagement, and a stronger community of alumni and students for Stanford.

STUDENT AFFAIRS

Student Affairs comprises 30 offices that provide undergraduate and graduate students with a range of services, opportunities, and resources guided by four core principles: equity and inclusion, community and belonging, mental health and well-being, and integrative learning. In 2020/21, the Learning Technologies and Spaces (LTS) department joined the Student Affairs portfolio. LTS supports an ecosystem of platforms, tools, and services as well as technology-rich classrooms and learning spaces.

In 2021/22, Student Affairs projects total revenues and transfers of \$91.2 million and expenses of \$95.1 million, resulting in an operating deficit of \$3.9 million. The operating deficit will decrease fund balances by \$3.9 million, of which \$2.4 million will come from designated funds, \$1.2 million from restricted funds, and \$300,000 from operating budget carry-forward. Total revenues and transfers are expected to decrease by 7.3%, or \$7.1 million, from the 2020/21 year-end projection of \$98.4 million. Total expenses are expected to decrease by 2.0%, or \$1.9 million, from the 2020/21 year-end projection of \$97.0 million.

The 2021/22 Student Affairs budget reflects an expected return to normalcy and support for the needs of an increased student population as the university recovers from the challenges of the COVID-19 pandemic. New incremental general funds will be used to transition a number of key term positions in Inclusion, Community, and Integrative Learning (ICIL) to permanently funded positions. This will provide significant support to ICIL and to students, funding the essential staff for community centers and diversity, equity, and inclusion programs, and enabling Student Affairs to continue to contribute to the goals of Stanford's IDEAL (Inclusion, Diversity, Equity, and Access in a Learning Environment) initiative.

New base general funds in 2021/22 will also allow Student Affairs to begin a university-wide program, Stanford Classrooms Reimagined, which will be led by LTS. Over a ten-year period, this program will bring Stanford's formal and informal learning spaces into the 21st century by optimizing campus investment in learning spaces and balancing pedagogically driven and equity-minded design principles with responsible budget and space planning.

Student Affairs will be using reserve funding to pilot Project Pipeline, an innovative program to bring Stanford to a new level of engagement in undergraduate diversity and inclusion work

at a time when change is needed here and in the academy as a whole. This collaborative project, anchored in the community centers, aims to address the academic pipeline for students of color. Collaborating with campus partners, including the offices of the vice provosts for graduate and undergraduate education, Project Pipeline will employ a developmentally scaffolded approach. This approach will include frosh-year exposure to research/scholarship and intergenerational mentorship that will include graduate students, faculty, and upper-class undergraduates. Project Pipeline will also provide ongoing socio-cultural support and community connection in the culturally familiar settings of the four ethnic centers (Asian American Activities Center, Black Community Services Center, Native American Cultural Center, and El Centro Chicano y Latino), building upon successful smaller-scale center programs. This program provides a unique opportunity to advance IDEAL engagement and recruitment goals and to foster academic excellence for students of color.

During the 2021/22 fiscal year, Student Affairs, along with multiple university partners, will be launching a new residential neighborhood model. This results from the work of the ResX Task Force, which was convened in partnership with students, faculty, staff, and alumni. This re-envisioned model of residential life will start to take shape in fall 2021 and will include eight similarly sized "neighborhoods," each of which will have a central gathering place with access to advising, meeting space, and dining options.

UNIVERSITY HUMAN RESOURCES

University Human Resources (UHR) leads workplace strategies that enable community members to focus on research innovation to benefit humanity, facilitate deep learning by students who will be future leaders, and manage efficient academic and administrative operations. UHR's focus is on delivering programs that foster employee engagement and performance and on nurturing a work environment where people feel valued, supported, and respected, and have the opportunity to make meaningful contributions.

UHR units include Talent Management and Workforce Strategy; Employee and Labor Relations; Client Services; Benefits, Compensation and Global HR; Employee Support Programs and Services; HR Communications; and the soon-to-be-established Diversity, Equity, Inclusion, and Belonging (DEIB) office.

The 2021/22 consolidated budget includes revenues and transfers of \$20.9 million and expenses of \$21.3 million, resulting in a slight net deficit. The operating budget plan commits \$365,000 of prior years' savings, utilizing some of UHR's reserve balance for HR organization acceleration, the Fair Pay Act study, pay structure redesign, and continued implementation of the SolveHR Metrics Solution.

Considering the 2020/21 year-end projection, current progress of initiatives, and 2021/22 budget plan, the projected fund balance at the end of 2021/22 is \$4.5 million (76% operating reserve; 21% wellness designated reserve; and 3% endowment, gift, and other designated funds).

Recently approved general funds will enable UHR to establish a DEIB office to develop strategy and serve as a thought leader for, advisor to, and designer of leading practices in support of the university's staff diversity and inclusion vision and programs. Funding will also enable UHR to deliver new DEIB education and training programs; provide support for a growing set of centralized employee and labor relations functions; manage the increase in global employees and the growing complexity of global benefits; address the needs for increased flexibility for employees and development of a strategy for workplace flexibility in line with Stanford's culture and values; provide increased data analysis and visualization of people systems across the university; and advance the HR profession at Stanford through ongoing strategic development.

Early in the pandemic, UHR brought the human resource leaders across the university together in an effort to address issues quickly and consistently. This collaboration was prescient; it provided a forum for UHR to respond to issues beyond the pandemic, such as racial injustice, wildfires, and other university and community issues. Throughout 2019/20 and into 2020/21, UHR collaborated with Environmental Health and Safety, the Office of the General Counsel, University IT, Financial Management Services, the Budget Office, SLAC National Accelerator Laboratory, and the schools and units to develop new policies and processes, manage ongoing communications, and provide resources and programs to ensure the health, safety, and well-being of employees and frontline workers while supporting university operations. This collaboration has proven successful and sustainable and is a model for HR delivery going forward as efforts are made to enhance talent attraction, development, engagement, rewards, and HR systems and processes as the university navigates near-term change and moves toward long-term recovery. Extraordinary change, volatility, and ambiguity will continue to present challenges in 2021/22. Emerging areas that have university-wide value include DEIB leadership, as well as workforce data insights, talent development as Stanford's workforce and workplace evolve, and leadership of the transformation to new ways of working.

MAJOR AUXILIARY UNITS

The major independent auxiliaries are Athletics and Residential & Dining Enterprises (R&DE). In addition, the School of Medicine, the Graduate School of Business (GSB), Humanities & Sciences (H&S), the Vice Provost for Undergraduate Education (VPUE), and Stanford University Libraries (SUL) include auxiliary revenues and expenses. These other auxiliary operations include the Schwab Center of the GSB, Bing Overseas Studies in VPUE, and Stanford in Washington and Bing Nursery School in H&S.

ATHLETICS

Note: The 2021/22 consolidated budget and accompanying narrative for the Department of Athletics, PE, and Recreation (DAPER) were prepared before the decision to restore the 11 sports to varsity status.

The fiscal outlook for DAPER will improve in 2021/22 with the resumption of varsity athletics activities as the university emerges from the pandemic. On a consolidated basis, DAPER projects revenues and expenses of \$160.8 million. Varsity, golf course, and Recreation and Wellness revenues are expected to grow by \$35.5 million from 2020/21, driven by ticket sales, broadcast revenue, NCAA/Pac-12 payouts, facility rentals and events, and non-varsity activities.

DAPER's consolidated budget includes varsity athletics (\$1.2 million surplus), financial aid (\$2.8 million deficit), and non-varsity activities (\$1.6 million surplus), with the surplus from non-varsity operations supporting varsity athletics, and varsity athletics funding the financial aid deficit with restricted expendable gifts.

Varsity Athletics

Revenues and transfers for varsity activities in 2021/22 are initially projected to be \$101.5 million, while expenses are projected to be \$107.8 million, resulting in a \$6.3 million deficit. This deficit will be funded by \$7.5 million in incremental restricted expendable fundraising, resulting in \$109.0 million in total varsity revenue and a \$1.2 million surplus. This surplus, combined with the surplus from non-varsity operations (\$1.6 million), funds the \$2.8 million financial aid deficit.

Varsity revenues are projected to be up by \$34.0 million from 2020/21, from \$31.1 million to \$65.1 million, based on the resumption of ticket sales (\$12.4 million), increases in broadcast

revenue (\$11.1 million), NCAA/Pac-12 payouts (\$6.5 million), and facility rentals and other revenue (\$4.0 million). The 2021/22 forecast for ticket sales assumes a return of attendance levels to roughly pre-pandemic levels. Potential shortfalls, as a result of not being able to welcome fans to campus or a decline in demand for live event attendance, would need to be bridged with additional fundraising. However, operating expenses would also be reduced in some limited-attendance scenarios.

DAPER's varsity designated activities consist of football and men's and women's basketball per-seat gifts (\$4.0 million), which are projected to return to pre-pandemic levels, as well as incoming revenues that are transferred to support varsity athletics (\$680,000).

Expenses related to varsity athletics activities are also expected to largely return to pre-pandemic levels, increasing 18% overall. Compensation expenses are increasing 5.3%, from \$58.4 million to \$61.5 million, due to contractual obligations and a generous planned salary program matching the overall university program. Compensation savings from the 11 varsity programs transitioning to club status are projected to be \$2.0 million in 2021/22. With the return of normal varsity team operations, operating expenses are projected to increase 40%, from \$33.2 million to \$46.3 million. Operating expense savings from the 11 varsity programs transitioning to club status are projected to be approximately \$1.7 million in direct costs.

Financial Aid

DAPER's financial aid endowment continues to be a huge asset to the department. However, financial aid expenses are projected to exceed endowment payouts by \$2.8 million in 2021/22. Revenues are projected at \$26.7 million and expenses at \$29.6 million, compared to projected revenues

of \$26.3 million and expenses of \$28.5 million for 2020/21. The \$2.8 million gap in 2021/22 will be filled by restricted expendable gifts. The increase in expenses is primarily tied to tuition and room and board returning to pre-pandemic levels in 2021/22, following a year with savings from student-athletes taking leaves of absence or participating in remote learning. No changes are planned to the total number of scholarships awarded to the 25 varsity sports that will be sponsored in 2021/22. This budget provides approximately 320 scholarships that benefit over 450 student-athletes, as well as honors existing athletics scholarship commitments to student-athletes on the 11 varsity programs transitioning to club status. Of the 25.5 scholarships providing aid to students in these 11 programs, approximately 20% will no longer be needed in 2021/22 due to graduation or transfer, generating a savings of approximately \$410,000.

Non-Varsity Activities

Non-varsity activities include the Stanford Golf Course, Recreation and Wellness operations (including the Equestrian Center and the Stanford Campus Recreation Association), and camp operations. Revenues and transfers for non-varsity activities in 2021/22 are projected to be \$25.1 million, includ-

ing a \$1.5 million increase in golf course and Recreation and Wellness revenues from 2020/21 with the resumption of on-campus activities. These revenues comprise proceeds from the golf course (\$6.6 million), Recreation and Wellness operations, including a contribution from the university benefits pool to support facilities open to all students, faculty, and staff (\$5.9 million), general funds to support the Recreation and Wellness area of the department (\$3.5 million), and camp operations (\$6.7 million), as well as restricted funds in support of these areas (\$2.3 million). Camps are mainly pass-through operations and not actively managed by the department (\$6 million in revenue and expenses), with approximately \$700,000 of camp fees transferred to support varsity athletics.

Of note is that Recreation and Wellness competitive sports revenues are projected to increase by \$2.0 million, including \$1.1 million in one-time general funds and \$883,000 in existing endowment payouts transferred from varsity to support the 11 varsity sports transitioning to club status.

Expenses related to these activities are projected to be \$23.4 million in 2021/22. The approximately \$1.6 million surplus primarily comes from golf course operations and camp fees and supports varsity athletics.

ATHLETICS, RECREATION & WELLNESS **2021/22 CONSOLIDATED BUDGET PLAN¹**

[IN THOUSANDS OF DOLLARS]

2019/20 ACTUALS	2020/21 PROJECTION		AUXILIARY	OPERATING BUDGET	DESIGNATED	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	2021/22 TOTAL
Varsity Athletics								
Revenues and Transfers								
58,610	31,099	Varsity Revenue	65,106					65,106
22,001	31,827	Restricted Funds			4,680	23,212	8,838	36,730
6,113	5,666	Base General Funds		6,208				6,208
829	1,180	Non-Base General Funds	949					949
3,960	898	Operating Transfers	40,131	(6,208)	(4,680)	(20,405)	(8,838)	0
91,514	70,669	Total Revenues and Transfers	106,186	0	0	2,807	0	108,993
Expenses								
41,575	40,069	Salary and Wages	42,138					42,138
17,409	18,325	Non-Salary Compensation	19,374					19,374
43,577	33,180	Other Operating Expenses	46,299					46,299
102,561	91,575	Total Expenses	107,810	0	0	0	0	107,810
(11,047)	(20,906)	Varsity Surplus/(Deficit)	(1,624)	0	0	2,807	0	1,183
Financial Aid								
25,561	26,348	Restricted Funds					26,743	26,743
25,410	28,499	Scholarship Expenses				2,807	26,743	29,550
151	(2,151)	Financial Aid Surplus/(Deficit)	0	0	0	(2,807)	0	(2,807)
Non-Varsity Activities								
Revenues and Transfers								
4,816	6,445	Golf Course Revenue	6,573					6,573
5,647	4,569	Recreation & Wellness Revenue	5,949					5,949
1,556	1,570	Restricted Funds			920	40	1,362	2,322
2,363	2,630	Base General Funds		2,437				2,437
0	0	Non-Base General Funds	1,086					1,086
287	6,750	Camps	700		6,000			6,700
(218)	0	Operating Transfers	4,759	(2,437)	(920)	(40)	(1,362)	0
14,451	21,964	Total Revenues and Transfers	19,068	0	6,000	0	0	25,068
Expenses								
8,185	7,874	Non-Varsity Compensation Expenses	10,794					10,794
5,171	6,483	Non-Varsity Operating Expenses	6,650					6,650
2,920	6,050	Camps Expenses			6,000			6,000
16,276	20,407	Total Expenses	17,444	0	6,000	0	0	23,444
(1,825)	1,557	Non-Varsity Surplus/(Deficit)	1,624	0	0	0	0	1,624
8,774	21,500	Transfers (To)/From Assets						
(4,098)	0	Overall Surplus/(Deficit)	0	0	0	0	0	0
15,138	11,040	Beginning Fund Balances		75	3,381	6,769	815	11,040
11,040	11,040	Ending Fund Balances		75	3,381	6,769	815	11,040

¹ This 2021/22 consolidated budget plan was prepared before the decision to restore the 11 sports to varsity status.

RESIDENTIAL & DINING ENTERPRISES

Residential & Dining Enterprises (R&DE) is a university auxiliary generating revenues primarily through room and board payments, conferences, cafés, catering, a guest house, concessions, and other enterprises. R&DE regularly houses approximately 14,000 undergraduate and graduate students and their dependents and serves approximately 6 million meals annually. It oversees 7 million square feet of physical plant and has an asset portfolio of over \$3 billion. The opening of Escondido Village Graduate Residences (EVGR) in the fall of 2020 increased the housing capacity for students on campus by over 2,400 beds and added 2 million square feet of physical space. R&DE supports the university's academic mission by providing high-quality services to students and the broader Stanford community in a sustainable and fiscally responsible manner. R&DE ensures critical facility needs for life safety and code compliance are met while maintaining comfortable and contemporary living and dining spaces.

The 2021/22 auxiliary budget plan projects a net loss of \$39.0 million, with total revenues and net transfers of \$309.0 million and related expenses of \$348.0 million. The consolidated budget plan also includes a planned use of reserves to fund \$1.0 million of partial debt service on the Escondido Village Kennedy Residences and a transfer of \$3.7 million to reserves for the EVGR asset renewal program. The primary drivers of the net loss in 2021/22 are room and board rate containment, lower occupancy, policy and program changes, ResX neighborhood concept implementation, and post-pandemic changes in customer and student behavior.

The 2021/22 combined undergraduate room and board rate increase and graduate rent rate increase was limited to 3.5%. With an increase in operating expenses exceeding that revenue growth, this rate containment contributes \$2.4 million to the projected operating deficit. Building A at EVGR has been converted to undergraduate housing to accommodate increased undergraduate enrollment (due to students deferring their initial year, returning Leave of Absence students and lower overseas program participation). This conversion results in less revenue related to graduate rent revenue (\$13.9 million), but more revenue from undergraduate room and board. The undergraduate revenue is somewhat diminished by reduced summer session revenue, resulting in a net increase of \$8.3 million. The additional expenses in EVGR-A, including

a dining hall and additional front desk, total \$1.9 million. A slightly lower occupancy rate is projected to allow flexibility in neighborhoods in the new ResX model. Certain rooms need to be available in each neighborhood for students returning to campus. This intended vacancy, coupled with vacancies which may occur due to market rents, changes in student behavior (e.g., living away from campus and/or learning remotely) add another \$4.0 million to the deficit. The changes in travel, conferences, and staff telecommute policies result in decreased enterprise business, causing a net loss of \$15.9 million. Finally, other additional expenses like seven-day cleaning in-housing, enhanced cleaning in dining, expanded trash service, increased debt service, and increased mail and package service are partially offset by savings in labor and deferred projects for a net increase in expenses of \$9.2 million.

The 2021/22 budget plan reflects transfers in to fund certain debt service related to the R&DE capital plan and to help maintain room rental rates at reasonable levels for students. The plan also includes revenues, expenses, and additional off-setting transfers in to provide additional housing for students at campus rates in the local community. Further, it includes strategic funding to support residential living and learning programs; R&DE plans to transfer out approximately \$12.3 million to Residential Education, Residential Computing, the Graduate Life Office, and Summer Session, among others.

R&DE will be taking on several new services to students in 2021/22 that are expected to break even in the early years of operation. The EVGR pavilion will have a fully operational café for graduate students in 2021/22. R&DE will begin managing the Coffee Bar at the Clark Center starting in late 2020/21, and Stanford Dining, a division of R&DE, will begin overseeing dining operations of the Row Houses, Co-ops, and Suites in 2021/22.

Given the budget situation, R&DE has prioritized investments needed in its physical plant and deferred certain projects. R&DE's capital plan and planned maintenance program address health and safety upgrades, code compliance, energy conservation and sustainability, the deferred maintenance backlog, and major programmatic improvements in the student housing and dining physical plant.

An appropriate level of reserves supports R&DE as it operates in a dynamic and evolving environment, with a number of uncertainties, changes in program, and requirements to close facilities for renovation and renewal.

RESIDENTIAL & DINING ENTERPRISES

2021/22 AUXILIARY BUDGET PLAN

[IN THOUSANDS OF DOLLARS]

	2019/20 ACTUALS	2020/21 PROJECTION	2021/22 PLAN
Revenues			
Student Payments – Room & Board	136,698	108,099	236,251
Student Payments – R&B Off Campus	16,745	7,757	5,369
Conference Income	773	205	7,757
Catering and Executive Dining	10,988	1,435	13,480
Retail, Concessions, and Vending	7,741	2,870	12,154
Stanford Guest House	2,799	636	5,158
Other Operating Income	5,761	3,341	5,898
Interest Income	396	5	17
Total Revenues	181,901	124,348	286,084
Transfers			
Grad Housing Subsidy: Off Campus	20,601	22,914	26,881
Debt Service & Rate Containment Subsidies	14,841	13,473	13,151
Transfers (Net) related to Project Funds, and from Reserves	53,213	(4,564)	(4,833)
Transfers to ResEd, ResComp and GLO	(11,542)	(11,768)	(12,283)
Total Transfers	77,113	20,055	22,916
Total Revenue and Transfers	259,014	144,403	309,000
Expenses			
Salaries and Benefits	83,929	85,067	110,242
Food Cost	14,506	16,339	22,722
EM&S, Services, Commissions and Other	26,926	40,104	35,565
Rental and Leases Off Campus	33,372	27,152	29,312
Utilities and Telecommunication	15,071	19,107	23,554
Maintenance and Asset Renewal	24,002	33,845	35,282
Debt Service	51,069	77,518	79,847
G&A, Insurance and Taxes	10,139	10,451	11,502
Total Expenses	259,014	309,583	348,026
Auxiliary Operating Results	0	(165,180)	(39,026)
Beginning Fund Balance	29,991	20,614	19,614
Projected Ending Fund Balance	20,614	19,614	18,614
Projected Ending EVGR Asset Renewal Bank		3,481	7,168

Notes:

- The revenue, transfer, and expense amounts in this table represent the auxiliary operation of R&DE only.
- Fund Balance does not include endowment principal — \$4 million Funds Functioning as Endowment (FFE).

CHAPTER 4

CAPITAL PLAN AND CAPITAL BUDGET

Stanford's 2021/22-2023/24 Capital Plan and 2021/22 Capital Budget are based on projections of the major capital projects that the university plans to pursue in support of its academic and research mission. The rolling Capital Plan includes projects that are in progress or are expected to commence during the next three years. The Capital Budget represents the anticipated capital expenditures in the first year of the three-year plan. Both the Capital Plan and the Capital Budget are subject to change based on funding availability, budget affordability, and university priorities. Stanford continues to operate under the 2000 General Use Permit (GUP) from the County of Santa Clara, under which future development is limited. Many project submissions are charged with finding "GUP neutral" solutions to extend the life of the GUP and the remaining square footage.

As the university looks beyond challenges related to the pandemic, key initiatives enable it to position itself for a purposeful future. Projects and studies in the Capital Plan support the four themes of the university's Long-Range Vision: Accelerating Solutions, Advancing Education, Enhancing Our Knowledge, and Supporting Our Diverse Community. Infrastructure projects and renewals will also provide the foundation to meet future campus challenges.

Accelerating Solutions

Significant projects support Stanford's vision to foster partnerships with collaborators in the public, private, and social sectors to accelerate the pace at which breakthrough discoveries are translated into solutions for the world's most pressing problems. The new Climate and Sustainability School Study will define the facilities and associated planning that support the vision and program for the new school, perform infrastructure due diligence, and identify the required program space. The School of Medicine's new project, the 1215 Welch Road Building, will provide cutting-edge research labs, collaboration spaces, an expanded service tunnel system, and an extension of Discovery Walk to Welch Road. The project will be GUP neutral against the square footage associated with demolition of the Welch Road Modular Buildings, the Medical School Office Building, Hagey Hall, Redwood Hall, and Fairchild Laboratory. The Detector Microfabrication Facility will strengthen Stanford's partnership with the Department of Energy at SLAC National Accelerator Laboratory through

collaboration on high-precision superconducting devices that will be used for quantum information storage, sensing, communication, and other advanced applications.

Advancing Education

Stanford fosters a well-rounded academic experience as well as nurturing and sustaining residential life on campus. The advancement of education for undergraduate and graduate students through increased access and creation of a community that supports diverse students throughout their academic journey is supported in part by the Capital Plan projects. The Graduate School of Education Renovation and New Building will provide a new home and vibrant hub for the school. Spaces in the new complex will support education research and practice as well as the ability to convene education forums for Stanford and global communities. Future ResX and Town Center projects will work in tandem to strengthen the residential experience and sense of community. The ResX Study will explore cohesive housing neighborhoods that encourage intellectual vitality and extend the work in the classroom. The study will provide the vision and the roadmap for new and revitalized neighborhood facilities. Residential and Dining Enterprises (R&DE) Major Renovation Studies will complement the findings of the ResX Study. The Stanford Town Center Study will explore how to reimagine the White Plaza region of Stanford's campus as the heartbeat of the university, focusing on energetic pursuit of knowledge, social engagement, and community building.

Enhancing Our Knowledge

Strategic capital projects will support the enhancement of our knowledge of the world and the Stanford initiatives that empower fundamental work in the arts, humanities, social sciences, sciences, and engineering. The Bridge Complex for the Digital Future will serve as an interdisciplinary hub for computation and data research; provide space for programs in statistics, computer science, symbolic systems, and related fields; and encourage the exploration of their application across disciplines. The Gates Building Renovation will complement the new Bridge Complex. Gates will continue to house computer science programs but will also be anchored by the Stanford Institute for Human-Centered Artificial Intelligence. The Stanford Robotics Center in the Packard Building will further complement study in these areas of research and application. Stanford Research Computing Facility Module 2, an expansion of the existing facility at SLAC, will continue to offer and support traditional high-performance computing systems, as well as systems for high-throughput and data-intensive computing, platforms for working with high-risk data, and data storage at scale. A new project for the Hoover Institution, the George P. Shultz Building, will provide office and collaborative workspace, convening venues, and state-of-the-art digitizing facilities and library support space to steward Hoover archives.

Supporting Our Diverse Community

A core objective of Stanford's Long-Range Vision is to continue to support faculty, students, and staff who underlie Stanford's beneficial impact on the world. Three significant housing projects support Stanford's commitment to serving this internal community, as well as strengthening surrounding communities. Middle Plaza at 500 El Camino Real will provide 215 residential units, enliven the streetscape in Menlo Park, and provide community amenities. In the Stanford faculty subdivision, the project for the Cabrillo-Dolores Faculty Homes will construct seven detached homes, which will have differing plans and architectural styles that complement the existing neighborhood. The Portola Terrace Faculty Homes project will offer yet another type of housing unit and create a residential community that complements the town's rural character and enhances the natural features of the site. It will include 27 homes for Stanford faculty and 12 affordable apartments that will be made available for rent to community workforce households, for a total of 39 units.

Stewarding Infrastructure

The upkeep, renewal, and expansion of infrastructure directly support campus facilities and campus character, and Stanford invests in these areas to maintain operational reliability and the high standard set for the condition of university facilities. The Central Energy Facility (CEF) Chiller Plant Expansion will increase the chilled water capacity of the CEF to accommodate campus growth and the highest forecasted cooling load, as well as meeting campus expectations for dependability. Adjacent to the CEF, the new Bonair Replacement Building will house essential campus facilities operations and support. This project, linked to the future demolition of outdated Bonair Siding buildings, will ultimately contribute GUP square feet to the university's balance to be used for future priorities. The Searsville Dam and Reservoir Project modifications will relieve the existing sediment condition, provide other significant ecological restoration benefits, and relocate the water supply and storage functions. Phase 1 of the project consists of constructing a gated tunnel through the base of the dam, upstream pilot channels, and downstream sediment traps. In addition to the necessary Information Technology and Communications Systems maintenance and upgrades, the new Emergency Operations Center and Electronic Communications Hub (EOC/ECH) will replace the outdated EOC in the Faculty Club and replace and expand existing IT on the east campus. Ongoing capital infrastructure programs such as Investment in Plant (Planned Maintenance), the Capital Utilities Program (CUP), and the Stanford Infrastructure Program (SIP) provide the means to maintain the university's physical plant and reduce future capital costs.

Projects for Future Consideration

The capital planning process considers the potential for future projects that may emerge beyond the time frame of the plan. Identification of future needs provides context for the use of the remaining GUP square footage, as well as the funding that may be required. Significant projects that could materialize from 2021/22-2023/24 Capital Plan studies include the ResX Initiative, the Searsville Neighborhood, the Town Center, the climate and sustainability school, and a new chemistry building. Future infrastructure projects could include Searsville Dam and Reservoir Project Phases 2 and 3, Felt Dam and Reservoir Modifications, Centralized Emergency Generators, Lake Water Heat Exchange, and an R&DE Operations Facility. A future study will explore opportunities for space to accommodate the Martin Luther King Jr. Research and Education Institute as well as the new Department of African and African American Studies.

THE CAPITAL PLAN, 2021/22-2023/24

Stanford's academic campus (excluding the hospitals) has nearly 700 facilities providing over 22.5 million square feet (sf) of space, including approximately 6.7 million sf for student housing units and 3.3 million sf for parking structures.

The Capital Plan includes a forecast of Stanford's annual programs to restore, maintain, and improve campus facilities for teaching, research, housing, and related activities and outlines Stanford's needs for new facilities. The Capital Plan is compiled, reviewed, and approved in a coordinated manner across the university. The plan carefully balances institutional needs for new and renovated facilities with the challenging constraints of limited development entitlements, available funding, and budget affordability.

Projects listed in the Capital Plan are those approved by the provost. In addition, the Board of Trustees oversees:

- Projects with a total cost of \$25 million and above,
- New building construction (including faculty housing), and
- Changes in land use.

Projected expenditures under the 2021/22-2023/24 Capital Plan, which includes major construction projects in various stages of development and numerous infrastructure programs,

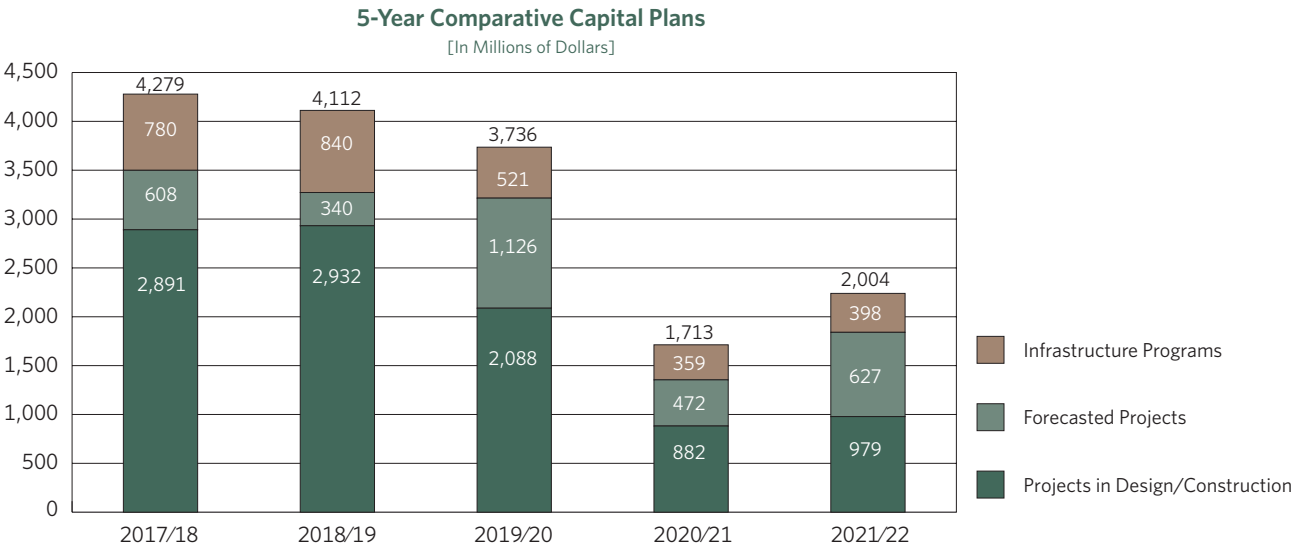
total over \$2 billion. The Chart below provides a comparison of the current Capital Plan with those for the previous four years. With large projects being completed (e.g., Escondido Village [EV] Graduate Residences and Stanford Redwood City Phase 1), and limited GUP square footage and housing units remaining, the size of the Capital Plan is significantly smaller than the \$4.3 billion peak in 2017/18.

PROJECTS IN DESIGN AND CONSTRUCTION

Projects in Design and Construction total \$979.4 million (49% of the plan) and are those projects that have received Board of Trustees or provost approval and are moving forward. Funding has been identified for the 12 projects in this category, as shown in the table on page 79, though gift-raising targets must be achieved before some projects start construction.

FORECASTED CONSTRUCTION PROJECTS

Forecasted projects are those anticipated to receive Board of Trustees or provost approval over the next three years. These projects total \$626.5 million (31% of the plan) and are listed on page 80. Funding must be identified and other university approvals obtained before these projects move into Design and Construction. For this category of projects, \$143.3 million (23%) remains to be raised.



INFRASTRUCTURE PROGRAMS

Stanford's ongoing efforts to renew its infrastructure are reflected in a budget of \$398.4 million (20% of the plan) and are listed on page 81. The various infrastructure programs are described below.

Investment in Plant (Planned Maintenance) Program

Annual Investment in Plant Assets represents the maintenance funds planned to be invested to preserve and optimize Stanford's existing facilities and infrastructure (e.g., pathways, outdoor structures, and grounds). These projects are based on life cycle planning, the key concept being that life expectancies of facility subsystems are known and, as a result, maintenance schedules can be predicted.

Capital Utilities Program

The three-year CUP plan will improve the CEF as well as the heating, cooling, electricity, domestic water, lake water, and sewer systems. The CUP covers expansion of systems as required by campus growth and renewal of systems that are near the end of their useful life.

Stanford Infrastructure Program

The SIP consists of campus and transportation projects and programs for the improvement and general support of the university's academic community, hospitals, and physical plant. SIP projects are funded through construction project surcharges.

Information Technology and Communications Systems

The university's computing and communications systems provide comprehensive data, voice, and video services to the campus community. Over time, these systems must be improved and/or replaced to maintain a consistently high level of service. Additionally, new technologies provide efficient, faster, and/or more cost-effective solutions.

R&DE Major Renovation Plan

This R&DE program addresses health and safety issues, seismic upgrades, code compliance, energy conservation and sustainability, and major programmatic improvements in the student housing and dining physical plant. Completed projects will be maintained through the Stanford Housing, Dining, and Hospitality Asset Renewal Programs.

Storm Drainage

The ongoing storm drainage program includes projects for improving and expanding the capacity of the campus storm drainage system. Storm water quality regulations necessitate new storm water treatment approaches, such as bioswales and bioretention facilities, to minimize conveyance of contamination from common storms to natural water bodies.

East Campus Networking and Communications Redevelopment

This program includes annual upgrades to the information technology and communications systems described above.

STANFORD AFFILIATES

To present a comprehensive view of university-planned construction, the capital planning process has included Stanford's commercial real estate investments, Stanford Health Care (SHC), Lucile Packard Children's Hospital (LPCH), and SLAC. Although the tables at the end of this chapter do not include capital projects associated to these areas, brief descriptions of these projects follow.

Real Estate

The Real Estate department within Stanford's Land, Buildings & Real Estate unit is actively managing three investment projects in various stages of planning and development on Stanford lands. These projects—3215 Porter Drive, 2131 Sand Hill Road, and the office component of Middle Plaza—total \$185 million and will provide the university with annual income.

Stanford Health Care and Lucile Packard Children's Hospital

The new Stanford Hospital opened for patient care in late 2019, and a new series of projects is planned to incrementally modernize the existing hospital facilities to enhance patient care, technology, and the interior environment. The SHC 300P Renewal Program includes renovations of the D Pod Patient Care Unit, the Pediatric Emergency Department, and the Adult Clinical Decision Unit. To vacate the seismically deficient Boswell Building, SHC will also need to shift programs to and within existing Welch Road properties as well as constructing a new Medical Office Building on the Block E site in Redwood City. LPCH is focusing efforts on a group of projects collectively referred to as Packard 3.0. These projects include renovations of the LPCH West Building, F1/F1, the F Extensions, and the first floor of 770 Welch Road.

SLAC National Accelerator Laboratory

SLAC's scientific program consists of three major projects: Linac Coherent Light Source (LCLS)-II, LCLS-II-High Energy (HE), and Matter in Extreme Conditions (MEC) Upgrade. The LCLS-II project will be completed in 2021/22 and will significantly increase collaboration and the amount of data generated from research activity. SLAC infrastructure investment focuses on optimizing the use of current assets, modernizing facilities to provide flexible and adaptive spaces, and synchronizing stewardship of operations and maintenance in support of current and future science missions. SLAC and Stanford are collaborating on a second scientific research computing facility (Stanford Research Computing Facility Module 2) to address the significant data increase expected from scientific computing, as well as the Detector Microfabrication Facility.

OVERALL SUMMARY

A table summarizing the 2021/22-2023/24 Capital Plan appears on page 74. The expenditures necessary to complete the three-year Capital Plan are anticipated to extend beyond 2023/24. To differentiate between the estimated costs of the plan and the forecasted spending to complete projects and programs, an additional table (Capital Plan Cash Flows) forecasts the Capital Plan expenditure cash flows based on project and program schedules.

O&M and debt service (when debt is a funding source) for each project will impact the university's consolidated budget once construction is substantially complete. Although the Capital Plan Summary shows the full budget impacts of all completed

projects, it is important to note that these impacts align with the project completion schedule and will therefore be absorbed by the university budget over a period extending beyond the three-year plan. The Capital Plan Impact on Budget table forecasts these budget impacts by area of fiscal responsibility (e.g., general funds, formula schools).

The tables at the end of this chapter provide a detailed list of the projects included in the Capital Plan.

The following sections address Capital Plan funding sources and uses, along with resource constraints.

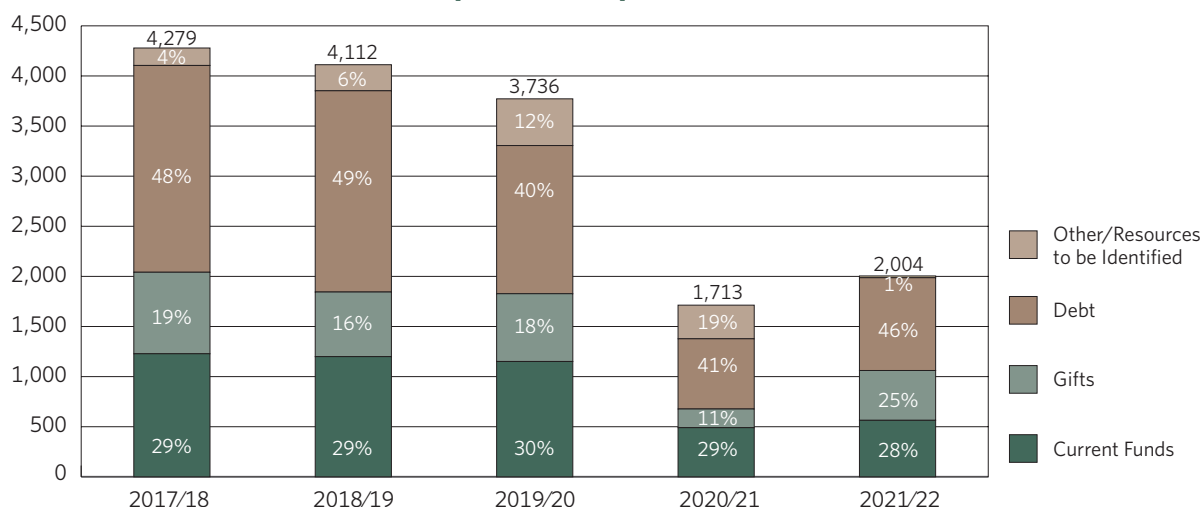
Capital Plan Funding Sources

As the Chart below shows, Stanford's Capital Plan relies on multiple funding sources: current funds (which include the Capital Facilities Fund [CFF], funds from university and school reserves, and GUP and SIP fees), gifts, and debt (low interest rates on debt continue to make it a strategic funding source). Depending upon fundraising realities and time frames, some projects will prove more difficult than others to undertake. As a result, it is possible that projects in the Capital Plan will have to be canceled, delayed, or scaled back in scope.

For any projects relying on gifts to be raised, the Office of Development has determined that fundraising plans are feasible, although the time frames for the receipt of gifts are subject to change. In recent years, the provost has established gift-raising requirements for both pledges and receipts prior to moving forward into construction. "Resources to be identified" are expected to come from a combination of school, department, and university reserves, as well as other sources.

Sources of Funds for 5-Year Comparative Capital Plans

[In Millions of Dollars]



SUMMARY OF THREE-YEAR CAPITAL PLAN 2021/22–2023/24

[IN MILLIONS OF DOLLARS]

	ESTIMATED PROJECT COST	CAPITAL BUDGET 2021/22	CURRENT FUNDS ¹	PROJECT FUNDING SOURCE					ANNUAL CONTINUING COSTS	
				GIFTS		UNIVERSITY DEBT		OTHER ²	DEBT SERVICE	OPERATIONS & MAINTENANCE ³
				IN HAND OR PLEDGED	TO BE RAISED	SERVICE CENTER/ AUXILIARY DEBT	ACADEMIC DEBT			
Projects in Design & Construction	979.4	294.0	233.3	210.5	134.2	353.9	47.5		4.8	9.2
Forecasted Projects	626.5	222.6	86.8	9.1	143.3	78.4	291.4	17.5	24.1	(2.9)
Total Construction Plan	1,605.9	516.6	320.1	219.6	277.5	432.3	338.9	17.5	28.9	6.3
Infrastructure Programs	398.4	147.2	243.9			106.0	48.5		15.9	
Total Three-Year Capital Plan 2021/22–2023/24	2,004.3	663.8	564.0	219.6	277.5	538.3	387.4	17.5	44.8	6.3

¹ Includes funds from university and school reserves and the GUP and SIP programs.

² Other funding is from SHC and LPCH.

³ Operations & Maintenance includes planned and reactive/preventive maintenance, zone management, utilities, contracts, grounds and outdoor lighting.

CAPITAL PLAN CASH FLOWS

[IN MILLIONS OF DOLLARS]

	2020/21 & PRIOR	2021/22	2022/23	2023/24	2024/25 & THEREAFTER	TOTAL
Projects in Design & Construction	238.4	294.0	279.6	122.0	45.4	979.4
Forecasted Projects	24.7	222.6	178.1	111.3	89.8	626.5
Total Construction Plan	263.1	516.6	457.7	233.3	135.2	1,605.9
Infrastructure Programs	4.7	147.2	120.9	125.6		398.4
Total Three-Year Capital Plan 2021/22–2023/24	267.8	663.8	578.6	358.9	135.2	2,004.3

CAPITAL PLAN IMPACT ON BUDGET 2021/22–2023/24

[IN MILLIONS OF DOLLARS]

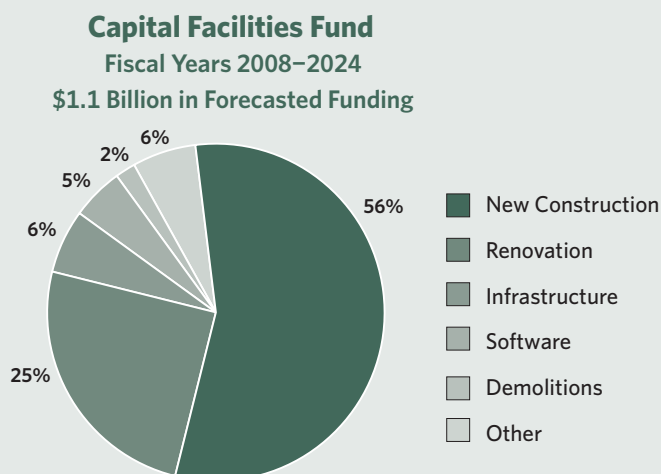
	PROJECTS IN DESIGN & CONSTRUCTION	FORECASTED PROJECTS	INFRASTRUCTURE PROGRAMS	TOTAL
Debt Service				
General Funds	4.8	3.6	9.0	17.4
Formula and Other Schools		15.0	1.4	16.3
Auxiliary		5.6	2.5	8.1
Other ¹			3.1	3.1
Total Debt Service	4.8	24.1	15.9	44.8
Operations and Maintenance				
General Funds ²	9.0	(3.9)		5.1
Formula and Other Schools	0.2	0.9		1.1
Auxiliary		0.1		0.1
Other				
Total Operations and Maintenance	9.2	(2.9)	0.0	6.3

¹ Primarily the hospitals along with Forsythe facility, Faculty Staff Housing, and outside entities.

² Include credits due to demolitions.

CAPITAL FACILITIES FUND

In 2007/08, the Board of Trustees approved an additional 0.5% endowment payout, taking the total payout to 5.5%. This incremental payout was sequestered into a dedicated capital projects fund (the CFF) to support facilities and other projects. From its inception through the Capital Plan period ending 2023/24, the non-formula CFF has funded or is planned to fund approximately \$1.1 billion over 180 projects and initiatives. The following chart shows the various project types funded by the CFF.



In addition to providing initial funding to ignite and support early studies for significant projects, the CFF has enabled many high-priority projects to close their funding gaps and move forward. Significant projects supported by CFF include:

- ADAPT Systems
- Anne T. and Robert M. Bass Biology Research Building (and Central Loading Dock)
- Bing Concert Hall
- Bonair Replacement Building
- Bridge Complex for the Digital Future
- Climate and Sustainability School Building
- Escondido Village Graduate Residences (and Parking Structure)
- Graduate School of Education Renovation and New Building
- Lathrop Library
- Munger Graduate Residences (Parking Structure 6 and Enabling Projects)
- Public Safety Building
- Roble Gymnasium Renovation
- Sapp Center for Science Teaching and Learning (Old Chemistry)
- Searsville Dam and Reservoir Phase 1
- Stanford ChEM-H Building and Stanford Neurosciences Building
- Stanford Redwood City Phase 1

The CFF has contributed to the campus transformation for more than a decade and will continue to seed conceptual ideas, create project momentum, and make high-priority projects a reality for the foreseeable future.

CAPITAL PLAN CONSTRAINTS

Affordability

The incremental internal debt service expected at the completion of all projects in the three-year plan period (completion dates range from 2021/22 to 2026/27) totals \$44.8 million annually (excluding debt service for bridge financing the receipt of gifts and operating lease payments). Service center debt is funded through rates paid by customers and has been allocated to and included in the totals for general funds, formula schools, auxiliary operations, and other operations.

The additional O&M costs expected at the completion of all projects commencing in the three-year period total \$6.3 million per year.

Debt Capacity

As of May 1, 2021, \$580 million of bond proceeds are available to finance capital projects and faculty mortgages, including \$143 million of unexpended tax-exempt bond proceeds, and \$437 million of unexpended taxable bond proceeds. Interim financing facilities including \$500 million of taxable commercial paper, \$300 million of tax-exempt commercial paper, and \$425 million of undrawn lines of credit are also available. In addition, during the remaining months of fiscal year 2020/21 through the end of 2021/22, \$112 million in internal amortization proceeds on debt-funded projects will become available to lend to projects, and \$27 million in forecasted pledge and other payments will retire debt issued to bridge finance the receipt of gifts and cost of construction.

The three-year Capital Plan will require a total of \$1.0 billion of debt for projects under construction or for projects to be approved before or in 2021/22:

- \$338 million to complete projects already approved or under construction;
- \$610 million for projects to be approved in 2021/22; and
- \$73 million to bridge finance the receipt of gift pledges for projects approved or under construction.

Additional debt may be required to finance the Faculty Staff Housing program. For the current fiscal year through May 1, 2021, the portfolio of debt-subsidized mortgages had increased by \$11.4 million over the prior year to \$744.7 million.

Projects identified in the three-year Capital Plan and to be approved after 2021/22 will require an additional \$186 million in debt. Debt for these projects has not been committed, and allocations will be evaluated in the context of debt capacity, affordability, viability of the funding plan, and GUP limitations.

Entitlements

The main Stanford campus encompasses 8,180 acres in six jurisdictions. Of this total, 4,017 acres, including most of the central campus, are within unincorporated Santa Clara County.

In December 2000, Santa Clara County approved a GUP that allows Stanford to construct up to 2,035,000 additional gross sf of academic-related buildings on the core campus and up to 3,018 new housing units. An additional 1,450 housing units were approved in March 2016, raising the housing allocation to 4,468 housing units, which accommodated the EV Graduate Residences. The Stanford University General Use Permit 2000 Annual Report summarizes the development at Stanford University along with the required environmental mitigation activity. The annual report is available on the County of Santa Clara Department of Planning and Development website.

In 2016, Stanford filed an application with Santa Clara County for a new GUP that was projected to last 17-20 years. Stanford withdrew the application in November 2019, determining instead to continue to operate under the 2000 GUP and address academic and housing needs by:

- Strategically prioritizing the limited remaining balance of the GUP 2000 square footage;
- Renovating and rehabilitating existing facilities;
- Demolishing older facilities and reallocating GUP square feet for university priorities;
- Analyzing campus space utilization for improved efficiency opportunities; and
- Developing in other jurisdictions.

The 2021/22-2023/24 Capital Plan has 32 projects and programs. Of these, three use GUP square footage (the largest being the Bridge Complex for the Digital Future at 154,831 sf) and one falls under the GUP housing allocation. All other projects and programs are either GUP neutral due to associated demolitions or are not under the jurisdiction of Santa Clara County's GUP (due to their off-site location or infrastructure scope).

THE CAPITAL BUDGET, 2021/22

At \$663.8 million, the 2021/22 Capital Budget reflects only a portion of the costs of the projects in the Capital Plan, as most span more than one fiscal year. The following table (Percent of Completion) highlights the major capital projects for which expenditures under the 2021/22 Capital Budget will be significant, as well as the percentage of each project expected to be complete by the end of 2021/22.

MAJOR CAPITAL PROJECTS - PERCENT OF COMPLETION 2021/22

[IN MILLIONS OF DOLLARS]

	CAPITAL BUDGET 2021/22	ESTIMATED PROJECT COST	ESTIMATED PERCENT COMPLETE BY END OF 2021/22
Bridge Complex for the Digital Future	80.5	225.0	46%
Middle Plaza at 500 El Camino Real - Residential (215 units)	53.9	169.0	100%
Graduate School of Education Renovation and New Building	37.3	150.0	38%
Central Energy Facility Chiller Plant Expansion	38.6	85.0	100%
Bonair Replacement Building	21.1	75.8	56%
George P. Shultz Building	24.7	66.8	62%
Gates Building Renovation	10.7	24.0	100%
Cabrillo-Dolores Faculty Homes (7 units)	11.3	23.5	87%
1215 Welch Road New Building and Associated Projects	108.6	345.6	25%
3172 Porter Drive Renovation	31.1	40.2	100%
Stanford Research Computing Facility Module 2	23.9	39.7	75%
Offsite GMP Support Expansion	17.3	22.5	100%
Detector Microfabrication Facility at SLAC	10.6	16.0	100%
Totals	469.6	1,283.1	

¹ Projects scheduled to be in construction and with forecasted expenditures greater than \$10 million in 2021/22.

CAPITAL BUDGET IMPACT ON 2021/22 OPERATIONS

The 2021/22 Consolidated Budget for Operations includes incremental debt service and O&M expenses for projects to be completed in either 2020/21 or 2021/22, but operational for less than 12 months in the year completed.

Capital projects requiring debt are funded from internal loans that are amortized over the asset life. The budgeted interest rate (BIR) used to calculate the internal debt service is a blended rate of interest expense on debt issued for capital projects, bond issuance, and administrative costs. The BIR will remain at 3.75% for 2021/22.

Consolidated internal debt service, including that borne by formula units, auxiliaries, service centers, Faculty Staff Housing, and real estate investments, is projected in 2021/22 to increase from \$265.3 million to \$281.6 million. Additional debt service related to the Rosewood Hotel and the Sand Hill Road Office Complex is not included in the Consolidated Budget for Operations. In addition, annual lease payments for rental properties occupied by the School of Medicine are projected to be \$72.3 million in 2021/22.

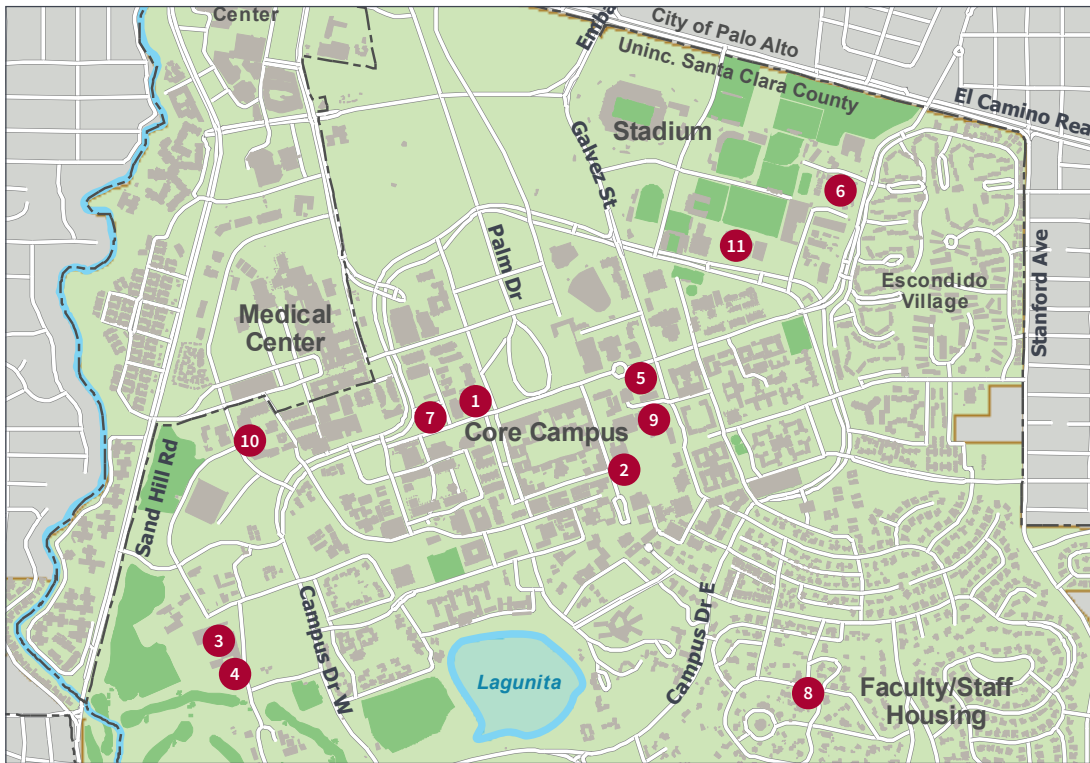
The projected internal debt service funded by unrestricted funds, including general funds and schools' designated funds, will increase by \$5 million in 2021/22. The net change in debt service brings the total annual internal debt service borne by unrestricted funds to \$103.1 million.

In 2021/22, approximately \$857,000 of incremental O&M (including utilities) costs will be borne by general funds. The incremental costs include O&M for the new Public Safety Building and the Children's Center at Stanford West.

CAPITAL PLAN PROJECT DETAIL

In addition to a map identifying selected project locations, the following pages provide tables that list capital projects in three categories: Design and Construction, Forecasted, and Infrastructure Programs.

Selected Capital Projects and Locations



- 1 Bridge Complex for the Digital Future
- 2 Graduate School of Education Renovation and New Building
- 3 Central Energy Facility Chiller Plant Expansion
- 4 Bonair Replacement Building
- 5 George P. Shultz Building
- 6 Emergency Operations Center & Electronic Communications Hub
- 7 Gates Building Renovation
- 8 Cabrillo-Dolores Faculty Homes
- 9 Hohbach Hall - Green Library East
- 10 1215 Welch Road - New School of Medicine Building
- 11 Maples Pavilion Locker Rooms Expansion

Off-Campus (not pictured):

Middle Plaza at 500 El Camino Real - Residential
 Searsville Dam and Reservoir Project - Phase 1
 Portola Terrace Faculty Homes
 Stanford Research Computing Facility Module 2
 Detector Microfabrication Facility at SLAC

2021/22-2023/24 CAPITAL PLAN PROJECTS IN DESIGN & CONSTRUCTION

[IN MILLIONS OF DOLLARS]

[IN MILLIONS OF DOLLARS]

					PROJECT FUNDING SOURCE				ANNUAL CONTINUING COSTS		
					CURRENT FUNDS ¹	GIFTS		UNIVERSITY/DEBT		OTHER	
						IN HAND OR PLEDGED	TO BE RAISED	SERVICE CENTER/ AUXILIARY DEBT	ACADEMIC DEBT		
SCHOOL/ DEPARTMENT	FISCAL YEAR PROJECT SCHEDULE	ESTIMATED PROJECT COST	CAPITAL BUDGET 2021/22								
Bridge Complex for the Digital Future	SOE	2021-24	225.0	80.5	65.0	60.0	100.0				4.7
Middle Plaza at 500 El Camino Real – Residential (215 units)	LBRE	2017-22	169.0	53.9	16.6			152.4			
Graduate School of Education Renovation and New Building	GSE	2019-24	150.0	37.3	40.0	65.8	34.2		10.0	0.6	1.5
Central Energy Facility Chiller Plant Expansion	LBRE	2020-22	85.0	38.6				85.0			
Bonair Replacement Building	LBRE	2019-23	75.8	21.1	33.4			42.4		2.4	1.9
George P. Shultz Building	HOOVER	2019-23	66.8	24.7		66.8					0.2
Searsville Dam and Reservoir Project - Phase 1	LBRE	2021-26	59.3	3.0	37.9				21.4	1.0	0.1
Portola Terrace Faculty Homes (39 units)	LBRE	2020-25	55.0	2.0	4.4			50.6			
Emergency Operations Center & Electronic Communications Hub	PRES/PROV	2017-24	32.5	3.6	16.4				16.1	0.9	0.8
Gates Building Renovation	SOE	2021-22	24.0	10.7	16.3	7.7					
Cabrillo-Dolores Faculty Homes (7 units)	LBRE	2017-23	23.5	11.3				23.5			
Hohbach Hall – Green Library East	SUL	2020-22	13.5	7.3	3.3	10.2					
Subtotal – Projects in Design & Construction			979.4	294.0	233.3	210.5	134.2	353.9	47.5	4.8	9.2

¹ Includes funds from university and school reserves and the GUP and SIP programs.

² Operations & Maintenance includes planned and reactive/preventive maintenance, zone management, utilities, contracts, grounds and outdoor lighting.

2021/22-2023/24 CAPITAL PLAN FORECASTED CONSTRUCTION PROJECTS

[IN MILLIONS OF DOLLARS]

				PROJECT FUNDING SOURCE				ANNUAL CONTINUING COSTS				
				GIFTS		UNIVERSITY/DEBT						
				CURRENT FUNDS ¹	IN HAND OR PLEDGED	TO BE RAISED	SERVICE CENTER/ AUXILIARY DEBT	ACADEMIC DEBT	OTHER ²	SERVICE	DEBT OPERATIONS & MAINTENANCE ³	
1215 Welch Road New School of Medicine Building Surge Phases 1–3 Tunnel & Utilities Demolitions Rains Renovation Phases 2A - 2F 3172 Porter Drive Renovation Stanford Research Computing Facility Module 2 Offsite GMP Support Expansion Maples Pavilion Locker Rooms Expansion Detector Microfabrication Facility at SLAC Stanford Robotics Center (Packard Building) Taube South Covered Tennis Courts Grant & Boswell Decant/Decommission LKSC Renovation - Phase II Bonair Demolitions Mudd Chemistry Demolition Subtotal – Forecasted Projects Subtotal – Construction Plan	SOM	2021–24	266.2	66.2	16.6	100.0		149.6		8.3	1.3	
	SOM	2021–25	42.7	16.4	8.1			34.6		2.5		
	SOM	2021–23	13.8	5.3	1.4			12.4		0.7		
	SOM	2022	22.9	20.6	22.9						(1.9)	
	R&DE	2022–27	78.4				78.4			5.6		
	SOM	2021–22	40.2	31.1	4.0			36.2		2.6	0.8	
	DOR	2021–23	39.7	23.9	9.9			29.8		1.7	0.9	
	SOM	2020–22	22.5	17.3	1.2			3.8	17.5	0.3	0.7	
	DAPER	2021–24	22.1	5.8		22.1				1.9	0.1	
	DOR	2021–22	16.0	10.6				16.0				
	SOE	2022–23	15.0	6.7		5.0	10.0					
	DAPER	2022	11.2	9.3			11.2					
	SOM	2024–25	10.0	0.4	10.0							
	SOM	2022–23	10.0	4.6	1.0			9.0		0.6	(1.6)	
	LBRE	2023	8.5		8.5						(3.2)	
H&S	2021–22	7.3	4.5	3.2	4.1							
			626.5	222.6	86.8	9.1	143.3	78.4	291.4	17.5	24.1	(2.9)
			1,605.9	516.6	320.1	219.6	277.5	432.3	338.9	17.5	28.9	6.3

¹ Includes funds from university and school reserves and the GUP and SIP programs.

² Other funding is from SHC and LPCH.

³ Operations & Maintenance includes planned and reactive/preventive maintenance, zone management, utilities, contracts, grounds and outdoor lighting.

2021/22-2023/24 CAPITAL PLAN INFRASTRUCTURE PROGRAMS

[IN MILLIONS OF DOLLARS]

[IN MILLIONS OF DOLLARS]

	PROJECT FUNDING SOURCE					ANNUAL CONTINUING COSTS			
	GIFTS		UNIVERSITY DEBT			DEBT SERVICE	OPERATIONS & MAINTENANCE ²		
	CURRENT FUNDS ¹	IN HAND OR PLEDGED	TO BE RAISED	SERVICE CENTER/ AUXILIARY DEBT	ACADEMIC DEBT			OTHER	
	SCHOOL/ DEPARTMENT	FISCAL YEAR PROJECT SCHEDULE	ESTIMATED PROJECT COST	CAPITAL BUDGET 2021/22					
Investment in Plant (Planned Maintenance) Program	LBRE	2022-24	82.7	27.2	82.7				
	R&DE	2022-24	75.3	24.1	75.3				
	SOM	2022-24	26.4	8.3	26.4				
	DAPER	2022	11.3	11.3	11.3				
Investment in Plant (Planned Maintenance) Program	Various	2022-24	195.7	70.9	195.7				
	LBRE	2022-24	76.1	25.9		76.1	6.5		
	LBRE	2022-24	48.2	14.4	48.2				
	BA	2022-24	24.6	9.1		3.0	21.6		
	R&DE	2022-24	20.0	10.8		20.0	4.5		
	LBRE	2022-24	18.8	5.8			1.5		
						18.8	1.7		
						6.9	8.1		
East Campus Networking & Communications Redevelopment	BA	2018-22	15.0	10.3			1.7		
Subtotal - Infrastructure Programs			398.4	147.2	243.9	106.0	48.5	15.9	
Total Capital Plan			2,004.3	663.8	564.0	538.3	387.4	44.8	6.3

¹ Includes funds from university and school reserves and the GUP and SIP programs.

² Operations & Maintenance includes planned and reactive/preventive maintenance, zone management, utilities, contracts, grounds and outdoor lighting.

³ R&DE Major Renovation Plan projects generally include program and code upgrades, whereas Planned Maintenance includes subsystem replacement.

APPENDIX

SUPPLEMENTARY INFORMATION

The tables in this Appendix provide historical and statistical data on enrollment, tuition and room and board rates, financial aid, faculty, staff, selected expenditures, the endowment, and fund balances. The short summaries below serve as an introduction to the schedules and highlight interesting trends and historical occurrences.

Schedule 1 — Consolidated Budget for Operations by Unit 2021/22

This schedule summarizes the total revenues and operating transfers, expenses, operating results, asset transfers, and changes to fund balances for each of the university's academic, administrative, and auxiliary units. In the bottom of this table, several adjustments are highlighted. On the Internal Transaction Adjustment line, internal revenues and expenses are backed out of the budget units to avoid double-counting these items. The Indirect Cost Adjustment line serves to avoid double-counting sponsored research indirect cost recovery. Although academic units include sponsored research direct and indirect revenue as part of their budgets, indirect cost funding actually passes through the units and is allocated as general funds. The Central Accounts line encompasses funds not belonging to any particular budget unit and benefits the university writ large. Examples are academic debt service payments, research and teaching assistantship tuition allowance, commitments from the president and provost, and various costs associated with taxes and legal fees. The Central Adjustment line summarizes additional high-level adjustments to revenues, transfers, and expenses for expectations not reflected in the budget units. 2021/22 adjustments were made primarily to compensation and graduate student stipend expense.

Schedule 2 — Consolidated Budget for Operations History

This schedule shows actual results from 2014/15 through 2019/20, along with the year-end projection for 2020/21 and the budget plan for 2021/22 for the Consolidated Budget for Operations. The pandemic severely impacted campus

operations, resulting in a reduction in projected fund balances for 2020/21. With a planned campus reopening, 2021/22 is expected to be a year of recovery, once again adding to its fund balances after net investments in assets. Student income and special program fees and other income are growing by 31% and 39%, respectively, increasing revenue by \$418 million versus 2020/21. Compensation expenses are expected to increase by 8.3%, mostly due to a strong salary program, new hiring and the filling of vacant positions, and an increase in the fringe benefits rate.

Schedule 3 — Student Enrollment for Autumn Quarter

COVID-19 caused total enrollment to drop by 7.5% in 2020/21 as compared to 2019/20. The disruption caused by the pandemic created significant uncertainty and drove many students to take leaves of absence. Nearly 400 freshman deferred their matriculation, contributing to the large drop in enrollment. As a result, the university is expecting to accommodate more undergraduates in 2021/22 than in a typical year.

Schedule 4 — Postdoctoral Scholars by School and by Gender

Increase in postdoctoral scholars for 2020/21 is moderate at 0.7%. This comes on the heels of a 6.3% increase in 2019/20, driven primarily by the School of Medicine. Over the past 15 years, the proportion of female postdoctoral scholars has averaged 40%. The past two years have seen an increase in this proportion, with 2020/21 female postdoctoral scholars reaching an all-time high of 44% of the total number.

Schedule 5 — Graduate Student and Postdoc Support

At Stanford, teaching assistants and research assistants earn salaries as part of their compensation, and most receive an allowance toward their tuition charges. Graduate fellows receive financial aid that covers some or all of their tuition charges, and most receive stipends that help cover living and research-related expenses. Postdoctoral students receive salaries and benefits as part of their appointment, and many also receive tuition allowance and living expense stipends.

Grants and contracts cover roughly 20% of graduate student expenses and about two-thirds of postdoctoral scholar expenses. University and school unrestricted (or general use) funds, designated funds, and endowment income funds restricted specifically to graduate student aid cover the remaining expenses. In 2019/20, the total support to graduate students and postdoctoral scholars at Stanford reached \$671 million as graduate support increased 7% and postdoctoral support increased 10% over the prior year. There are three main factors that drive the university's growth in graduate and postdoctoral support: 1) enrollment growth, 2) tuition and salary growth, and 3) an increasingly larger share of the student body receiving support as units expand their programs and funding support.

Schedule 6 — Graduate Enrollment by School and Degree

This table shows the trend of graduate student enrollment within each school and across degree programs. The majority of graduate student enrollments are in the School of Humanities and Sciences and School of Engineering, with approximately 61% of the total in 2019/20. Enrollment decreased by 6.4% in 2020/21 due to the COVID-19 pandemic that shut down much of the university in March 2020. In the ten years ending 2019/20, the compounded annual growth rate is 1.1%. The School of Medicine continues to comprise a larger share of graduate enrollment, growing 2.8% over this period, while other schools collectively grew by 0.8%. The significant expansion of the School of Medicine's master's programs, recent additions being Master of Laboratory Animal Sciences and Master of Science in Community Health and Prevention Research, has resulted in a 14% annual growth during this period. The mix of graduate students has stayed relatively consistent over the ten years ending 2019/20: 52% doctorate, 28% master's, and 20% professional. The pandemic

slightly shifted this split in 2020/21. Master's enrollment was impacted the greatest, resulting in a slightly shifted split of 54% doctorate, 25% master's, and 21% professional.

Schedule 7 — Undergraduate Tuition and Room & Board Rates

In 2021/22, the total cost of undergraduate tuition, mandatory fees, and room and board are projected to increase to \$74,029, an increase of 0.8% versus the prior year's 4.9%. Due to the unprecedented effects of the pandemic, the Board of Trustees agreed to keep the 2021/22 tuition and mandatory health fee flat, while preserving and expanding need-based financial aid. The room and board rate increase of 3.5% continues to provide vital funding needed to address inflationary and incremental impacts to operating costs, especially due to COVID-19.

Schedule 8 — Undergraduate Financial Aid by Type of Aid and Source of Funds

Reported in this schedule are the various types of financial aid awarded to undergraduate students, including non-need-based scholarships. In 2019/20, total undergraduate financial aid was \$223.7 million, a 1.9% increase over the previous year. While aggregated growth in 2019/20 from external grants, loans, and federal work-study earnings was 5%, in nominal terms, growth from these sources is unchanged between 2009/10 and 2019/20, at \$29.6 million. As a result, its share of undergraduate financial aid has decreased from approximately 18% in 2009/10 to roughly 13% in 2019/20. While Stanford scholarship growth of 1.4% was slower in 2019/20, which was impacted by the pandemic, Stanford has aggressively expanded its scholarship programs, with a compounded annual growth of over 5% in the five years ending 2019/20. Stanford's use of unrestricted funds has grown an average of 8.4% over this same period.

Schedule 9 — Undergraduate Need-Based Financial Aid

This schedule pertains only to undergraduate students who receive need-based financial aid from Stanford and shows historical and projected levels of expense from student needs and the support they receive from all sources (including the family contribution). Total student expense is driven by the growth in the student budget and by the number of students on aid. For 2021/22, the budget for need-based aid will increase by 13.6%. This increase is higher than the

0.8% overall increase in tuition and room and board rates, and is explained by a higher proportion of student qualifying for need-based aid in addition to the incoming class being significantly larger due to students who deferred matriculation in 2020/21. While endowment income has played the largest role toward this aim, its growth has not kept pace with student needs. As a result, unrestricted funding will increase \$8.8 million, or 15.6%, in 2021/22 to support the expected growth of total student expense. From 2016/17 to 2021/22, the total family contribution has decreased as a share of need-based undergraduate financial aid sources from 27.3% to 20.3%, while unrestricted funds has increased from 9.7% to 22.5%.

Schedule 10 — Majors with the Largest Number of Baccalaureate Degrees Conferred

The 20 undergraduate majors with the most degrees conferred in 2019/20 are shown in this schedule. Thirteen of the 20 majors have experienced a decrease in conferrals from 2010/11 to 2019/20. Human Biology was once the most popular degree in 2010/11, but has since experienced a significant decline, dropping from 191 to 142, a compound annual decline of 3.2%. Biology, which was the second most popular major in 2010/11, roughly halved its conferrals from 124 to 63. Starting in 2013/14, Computer Science (CS) took the top spot, growing from a 6.4% share of the top 20 degrees in 2010/11 to 21.5% in 2019/20. The Symbolic Systems major is also posting significant growth. In 2010/11, 21 students completed their majors, resulting in a ranking near the bottom of the list at 18. In 2019/20, 106 students completed their majors, making it the third most popular degree.

Schedule 11 — Students Housed on Campus

2020/21 aside, the percentage of undergraduate students housed on campus has stayed above 90% for the twenty years shown in this table. The graduate housing program has expanded slightly, growing from 62.1% in 2001/02 to 65.0% in 2019/20. With the opening of Escondido Village Graduate Residences in 2020/21, this proportion is expected to increase in the years to come. A common theme in this year's budget plan is the severe impact of COVID-19 on the university; housing is not an exception, as evidenced by the 89% reduction in undergraduates housed on campus and the 18.5% reduction in graduates housed both on and off campus. While most graduate students were allowed to remain, undergraduate were only permitted to stay under special circumstances.

Schedule 12 — Total Professorial Faculty

The total professoriate increased by 4 (0.2%) to 2,279 in 2020/21, lagging the average from the last ten years of 1.8%. The overall growth is driven by increases among three faculty groups: senior faculty positions, junior faculty positions, and non-tenure line positions. Non-tenure line professors have increased mostly due to Medical Center Line faculty growth in the School of Medicine. Once only comprising roughly a tenth of all professors, non-tenure line professors now make almost a third of all professorial faculty.

Schedule 13 — Distribution of Tenured, Non-Tenured, and Non-Tenure Line Faculty

This schedule provides a disaggregated view of the data in Schedule 12, by school, for the last three academic years. Over this time, the total number of tenured faculty expanded by 36 (about 3%), the number of non-tenured faculty decreased by 13 (about -4%), and the number of non-tenure line faculty increased by 16 (about 2%). The School of Medicine and School of Humanities and Sciences hold roughly 70% of all faculty appointments across the university. The School of Medicine has contributed the most to faculty growth, adding 17 over this three-year period. The School of Engineering added the next highest number, with 11, followed by the School of Humanities and Sciences with 8.

Schedule 14 — Number of Non-Teaching Employees

This schedule shows the number of regular non-teaching employees by academic, administrative, and auxiliary units. The number of employees contracted by 131 (a 0.8% decrease) in 2020. The pandemic immediately impacted campus operations in the spring of 2020. With a significant proportion of faculty and students pivoting to a remote model, staff supporting them had to adjust and adapt quickly. The result is a mix of ups and downs across all units. School of Medicine continues to drive the majority of growth, expanding 2.0% over the prior year by adding 112 employees. This expansion is largely due to continued growth with clinical and research activity and helped the school move from 31.5% of total non-teaching employees to 37.6% over the nine years shown. The School of Engineering; SLAC; Office of External Relations ; and Student Affairs, Admission and Financial Aid grew 8.5% in aggregate, adding 235 employees. Auxiliary units were hit

especially hard by the pandemic due to their heavy reliance on physical presence, such as athletic events, conferences, and dining. Auxiliary units reduced their workforce by 6.8%, or 71 employees.

Schedule 15 — Fringe Benefits Detail

Fringe benefits rates provide a mechanism to support the various components of non-salary compensation for employees. Stanford has four distinct fringe benefits rates for (1) regular benefits-eligible employees, which include most faculty and staff; (2) postdoctoral research affiliates; (3) casual/temporary employees; and (4) graduate research and teaching assistants. This schedule shows the programs and costs that contribute to the weighted average of the four individual benefits rates, which was 26.8% in 2019/20. Compared to the prior year, the total fringe benefits program costs increased by 5.2% in 2019/20, which is below the compound annual growth of 6.6% over the seven-year period shown in the table. Retirement and insurance program benefits, which account for 91% of fringe benefits, grew by 8.5% and -2.8%, respectively. Retirement and Insurance Program benefits, which account for 91% of fringe benefits, grew by 8.5% and -2.8%, respectively. The growth in Retirement Programs was driven primarily by the increase in the minimum required contribution for the Stanford Retirement Annuity Plan. The reduction in the Insurance Programs was due to the underutilization of services due to the mandatory shelter-in-place order resulting from the pandemic. Miscellaneous Programs grew significantly, at 20.9% in 2019/20, chiefly due to an increase in total severance paid out for staff reductions resulting from COVID-19.

Schedule 16 — Sponsored Research Expenditures by Agency and Fund Source

In 2019/20, total sponsored research expenditures were essentially flat, with 0.2% annual growth, a departure from the compounded annual growth of 4.2% experienced between 2012/13 and 2018/19. This result is chiefly explained by downward pressure applied by the pandemic. Splitting 2019/20 research volume into its federal and non-federal components helps to paint a clearer picture. Federal volume actually grew at a faster rate of 3.1% in the pandemic-stricken year than the compounded annual growth of 2.5% from 2012/13 to 2019/20. Government sources largely maintained

funding continuity throughout the pandemic, even through mandatory labs closures. On the other hand, some non-federal sources dialed back funding during the pandemic, resulting in a 6% reduction in volume for 2019/20, compared to a seven-year compounded annual growth of 6.8%. In addition, the federal government's share of total volume has shifted quite significantly over this time window with a nearly six percentage point share having moved from federal to non-federal sources. This is significant because non-federal sources cover a much smaller fraction of indirect costs than federal sources, and the university has to subsidize indirect costs that are not covered.

Schedule 17 — Sponsored Research Expenditures by School

This table presents the sponsored research expense for the schools and the Dean of Research over seven years. School of Medicine holds the majority share at 66%, though its annual growth declined by 1.3%, on the heels of a 7.3% growth in 2018/19. In fact, six of the schools and units that are called out saw a decrease in 2019/20 and much of this is due to the disruption caused by the pandemic. Over these seven years, the School of Engineering ceded roughly five percentage points of total share, while the School of Medicine gained six percentage points. The large increase to \$23.9 million in the "Other" category is due to SLAC and its NIH-funded grant for Cryo-EM Center equipment.

Schedule 18 — Plant Expenditures by Unit

This schedule shows historical expenditures from reserves or borrowed funds for building and infrastructure projects related to various units. Expenditures for equipment are excluded from these figures. The last two years included the completion of significant capital projects. Total plant expenditures in 2019/20 were \$1,698.4 million, a very large 366% growth compared to 2017/18. In 2018/19, Land, Buildings, and Real Estate (LBRE) completed its Stanford Redwood City campus and the University Terrace faculty and staff housing projects, adding \$634 million to the total. In 2019/20, LBRE saw the completion of the Escondido Village Graduate Residences, while the Vice Provost and Dean of Research finished its interdisciplinary ChEM-H building, combining to almost \$1.2 billion. The School of Medicine also completed its Biomedical Innovation Building 1 project, adding \$197 million to its plant expenditures in 2019/20.

Schedule 19 — Endowment Market Value and Merged Pool Rate of Return

The annual nominal rate of return for the merged pool in 2019/20 was 5.6% for the 12 months ending June 30, 2020. This positive performance exceeded the 1.6% median return for U.S. colleges and universities. Stanford's net annualized five- and ten-year Merged Pool returns position Stanford well within the top 10% of its peers. The endowment market value grew to \$28.9 billion, a 4.5% increase over 2018/19.

Schedule 20 — Expendable Fund Balances at Year-End

This schedule shows total expendable fund balances (excluding sponsored research) by academic unit (excluding SLAC) over the past decade. Aided by continuous growth in its health care services revenue, School of Medicine will have nearly tripled its fund balance between 2011/12 and 2021/22. In the same time frame, it will go from representing 39% of the total academic unit fund balances to nearly 55%. Dean of Research and School of Engineering are the other units with fast expendable fund balance growth.

Schedule 21 — Academic Unit Expendable Fund Balances at Year-End by Level of Control

This schedule shows total expendable fund balances (excluding sponsored research) by level of control within the academic units over the last three years along with the compound annual growth. "Level of control" indicates the authority of funds within each school. Overall, approximately 73% of the fund balances are controlled by the school/institution and department/program categories. Unsurprisingly, the School of Medicine comprises the largest proportion of expendable fund balances, at 52%, and added \$262.3 million to its fund balances between 2017/18 and 2019/20. The schools of Engineering and School of Humanities and Sciences added \$53.1 million and \$74.4 million respectively during the same time period. Looking back 10 years, it becomes evident that schools and institutions control a progressively smaller proportion of expendable funds. Comparing 2019/20 to 2009/10, school/institution declined from 41.6% to 28.4%, department/program increased from 37.6% to 44.8%, and faculty/PI increased from 20.9% to 26.9%.

SCHEDULE 1

CONSOLIDATED BUDGET FOR OPERATIONS BY UNIT, 2021/22

[IN MILLIONS OF DOLLARS]

	TOTAL REVENUES AND OPERATING TRANSFERS	TOTAL EXPENSES	RESULT OF CURRENT OPERATIONS	TRANSFERS (TO)/FROM ASSETS	CHANGE IN EXPENDABLE FUND BALANCE
Academic Units					
Graduate School of Business ¹	288.3	287.2	1.2	(3.1)	(1.9)
School of Earth, Energy & Environmental Sciences	69.6	78.6	(9.0)	1.0	(8.1)
Graduate School of Education	68.7	78.0	(9.3)	(0.3)	(9.6)
School of Engineering	452.4	435.1	17.2	(11.0)	6.3
School of Humanities and Sciences ¹	567.8	535.1	32.7	(11.9)	20.8
School of Law	105.0	95.8	9.2	(9.2)	0.0
School of Medicine ¹	3,147.3	3,083.6	63.7	(12.2)	51.6
Vice Provost and Dean of Research	247.9	262.0	(14.1)	7.1	(7.0)
Vice Provost for Undergraduate Education ¹	61.8	69.4	(7.6)	0.0	(7.5)
Vice Provost for Graduate Education	54.6	57.7	(3.1)	(0.9)	(4.0)
Vice President for the Arts	31.1	32.6	(1.5)	0.0	(1.5)
Hoover Institution	69.2	74.1	(4.9)	0.8	(4.1)
Stanford University Libraries ¹	89.5	89.9	(0.4)	0.0	(0.4)
SLAC	578.9	579.1	(0.2)	0.0	(0.2)
Total Academic Units	5,832.2	5,758.1	74.1	(39.8)	34.3
Administrative Units					
Business Affairs	293.6	300.6	(7.0)	1.9	(5.1)
External Relations	106.8	108.3	(1.5)	0.0	(1.5)
General Counsel & Public Safety	56.0	55.7	0.4	0.0	0.4
Land, Buildings and Real Estate	345.6	333.7	12.0	(10.5)	1.4
Office of the President and Provost	166.8	169.0	(2.2)	0.7	(1.5)
Stanford Alumni Association	40.5	43.0	(2.5)	0.0	(2.5)
Stanford Management Company	39.8	39.8	0.0	0.0	0.0
Student Affairs ¹	91.2	95.1	(3.9)	0.0	(3.9)
Undergraduate Admission and Financial Aid	258.5	259.0	(0.5)	0.0	(0.5)
University Human Resources	20.9	21.3	(0.4)	0.0	(0.4)
Major Auxiliary Units					
Athletics	160.8	160.8	0.0	0.0	0.0
Residential & Dining Enterprises	314.0	348.0	(34.0)	(2.1)	(36.2)
Total Administrative & Auxiliary Units	1,894.6	1,934.3	(39.7)	(10.0)	(49.7)
Internal Transaction Adjustment ²	(79.5)	(111.6)	32.0	(27.4)	4.6
Indirect Cost Adjustment ³	(311.9)	(311.9)	0.0	0.0	0.0
Grand Total from Units	7,335.3	7,268.9	66.4	(77.2)	(10.8)
Central Accounts ⁴	115.7	(83.2)	198.9	(133.6)	65.3
Central Adjustment ⁵	1.0	(36.8)	37.8	0.0	37.8
Total Consolidated Budget	7,452.0	7,148.9	303.1	(210.8)	92.3

Notes:

¹ The budgets for these units include auxiliary operations, which are separately identified in the units' consolidated forecast.

² Internal revenues and expenses are included in the unit budgets. This adjustment backs out these internal activities from the Consolidated Budget to avoid double counting them.

³ The academic unit budgets include both direct and indirect sponsored income and expenditures. Indirect cost funding passes through the schools and is allocated to the budget units as general funds. At that point, indirect cost recovery becomes part of unrestricted income for the university. In order not to double count, indirect cost recovery of \$311.9 million received by the schools is taken out in the "Indirect Cost Adjustment" line.

⁴ Central Accounts encompass funds not belonging to any particular budget unit that are used for university-wide activities, such as academic debt service payments, centrally funded tuition allowance, miscellaneous university expenses, Presidential and Provostial discretionary funds, and the general funds surplus.

⁵ Additional central adjustments for revenues, expenses and asset transfers are made to bring the sum of the unit projections in line with the overall consolidated budget plan. Adjustments were made primarily to compensation and graduate student stipend expense.

CONSOLIDATED BUDGET FOR OPERATIONS HISTORY

[IN MILLIONS OF DOLLARS]

	2014/15 ACTUALS	2015/16 ACTUALS	2016/17 ACTUALS	2017/18 ACTUALS	2018/19 ACTUALS	2019/20 ACTUALS	2020/21 PROJECTION	2021/22 PLAN	2014/15 TO 2021/22 COMPOUND ANNUAL GROWTH
Revenues									
Undergraduate Programs	330.9	342.3	356.9	368.4	383.8	383.9	338.4	433.4	3.9%
Graduate Programs	329.0	340.5	361.2	374.9	385.7	391.5	381.3	413.9	3.3%
Room and Board	164.3	174.1	186.6	195.2	205.4	164.9	126.1	259.1	6.7%
Student Income	824.2	857.0	904.7	938.5	974.9	940.3	845.9	1,106.4	4.3%
Direct Costs - University	716.7	753.6	786.9	801.5	850.1	836.1	889.6	937.7	3.9%
Indirect Costs	242.6	251.4	264.6	273.7	287.4	278.6	292.9	311.9	3.7%
University Sponsored Research	959.2	1,005.0	1,051.5	1,075.2	1,137.6	1,114.8	1,182.5	1,249.6	3.9%
SLAC Sponsored Research	430.4	447.8	584.6	580.3	545.4	507.1	534.7	575.2	4.2%
Health Care Services	957.9	1,033.9	1,126.5	1,231.5	1,373.6	1,424.1	1,552.5	1,667.6	8.2%
Gifts In Support of Operations	233.3	250.8	324.3	277.9	248.8	284.8	290.0	270.0	2.1%
Net Assets Released From Restrictions	156.9	140.3	159.0	182.1	200.1	213.0	225.0	225.0	5.3%
Endowment Income	1,065.5	1,147.5	1,174.8	1,248.8	1,309.9	1,360.0	1,325.2	1,428.2	4.3%
Other Investment Income	222.6	258.0	176.2	272.5	305.5	340.3	332.7	350.7	6.7%
Investment Income	1,288.1	1,405.6	1,351.0	1,521.3	1,615.4	1,700.4	1,657.9	1,778.8	4.7%
Special Program Fees and Other Income	516.0	540.0	531.3	544.0	573.3	434.6	403.6	560.7	1.2%
Total Revenues	5,366.0	5,680.4	6,032.8	6,350.8	6,669.0	6,619.0	6,692.0	7,433.4	4.8%
Expenses									
Compensation	2,881.5	3,122.8	3,368.0	3,571.0	3,829.0	4,056.6	4,148.0	4,491.0	6.5%
Financial Aid	260.5	269.5	286.7	303.3	321.9	330.0	383.7	408.9	6.7%
Internal Debt Service	198.6	185.2	198.9	197.3	208.6	241.2	265.3	281.6	5.1%
Other Operating Expense	1,525.0	1,541.0	1,761.7	1,819.7	1,868.3	1,693.0	1,798.5	1,967.5	3.7%
Total Expenses	4,865.6	5,118.5	5,615.3	5,891.3	6,227.8	6,320.8	6,595.5	7,148.9	5.7%
Operating Results	500.4	561.9	417.5	459.5	441.2	298.1	96.5	284.5	-7.8%
Transfers									
Transfers from (to) Endowment Principal	(110.7)	(125.6)	(90.4)	(99.8)	(54.1)	(37.7)	(32.7)	(41.8)	
Transfers from (to) Plant	(165.2)	(254.6)	(208.7)	(186.9)	(217.7)	(94.9)	(151.5)	(142.8)	
Other Internal Transfers	34.3	33.9	24.5	20.2	52.3	51.2	(18.4)	(7.5)	
Total Transfers	(241.6)	(346.2)	(274.5)	(266.5)	(219.5)	(81.4)	(202.6)	(192.2)	
Change in Fund Balances	258.8	215.7	143.0	193.0	221.7	216.7	(106.2)	92.3	
Beginning Fund Balance	2,707.6	2,966.4	3,182.0	3,325.0	3,518.0	3,739.8	3,956.5	3,850.3	5.2%
Ending Fund Balance	2,966.4	3,182.0	3,325.0	3,518.0	3,739.8	3,956.5	3,850.3	3,942.6	4.1%

SCHEDULE 3

STUDENT ENROLLMENT FOR AUTUMN QUARTER¹ 2011/12 through 2020/21

YEAR	UNDERGRADUATE			GRADUATE			TGR ²			TOTAL GRADUATE	TOTAL ALL
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL		
2011/12	3,342	3,585	6,927	2,651	4,675	7,326	571	899	1,470	8,796	15,723
2012/13	3,346	3,653	6,999	2,697	4,690	7,387	600	884	1,484	8,871	15,870
2013/14	3,274	3,706	6,980	2,773	4,724	7,497	574	826	1,400	8,897	15,877
2014/15	3,314	3,704	7,018	2,887	4,809	7,696	596	826	1,422	9,118	16,136
2015/16	3,331	3,663	6,994	2,966	4,776	7,742	584	870	1,454	9,196	16,190
2016/17	3,412	3,620	7,032	3,030	4,901	7,931	557	816	1,373	9,304	16,336
2017/18	3,546	3,510	7,056	3,159	4,797	7,956	567	845	1,412	9,368	16,424
2018/19	3,548	3,535	7,083	3,385	4,636	8,021	564	852	1,416	9,437	16,520
2019/20	3,527	3,467	6,994	3,494	4,557	8,051	530	809	1,339	9,390	16,384
2020/21	3,242	3,124	6,366	3,267	4,107	7,374	578	839	1,417	8,791	15,157

Source: IR&DS Office autumn quarter third week enrollment figures.

¹ Student enrollment figures are only for degree-seeking students.

² Terminal Graduate Registration (TGR) allows students to register at a reduced tuition rate while they work on a dissertation, thesis, or department project.

POSTDOCTORAL SCHOLARS BY SCHOOL AND BY GENDER¹**2011/12 through 2020/21**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
BY SCHOOL										
Graduate School of Business	0	0	0	0	0	0	0	1	9	14
School of Earth, Energy & Environmental Sciences	50	59	72	76	75	67	72	66	81	82
Graduate School of Education	9	12	19	20	22	19	23	15	16	19
School of Engineering	228	259	274	308	341	364	407	378	369	361
School of Humanities & Sciences	401	413	427	416	437	435	431	413	444	452
School of Law	2	1	2	0	0	0	0	0	0	1
School of Medicine	1,247	1,252	1,258	1,312	1,341	1,355	1,389	1,398	1,484	1,501
SLAC	0	0	8	21	48	57	53	73	89	80
TOTAL	1,937	1,996	2,060	2,153	2,264	2,297	2,375	2,344	2,492	2,510
BY GENDER										
Female	795	828	834	828	878	905	933	965	1,055	1,095
Male	1,142	1,168	1,226	1,325	1,386	1,392	1,442	1,379	1,437	1,415

Source: IR&DS Office fall quarter third week enrollment figures.

¹ The postdoctoral scholar population includes medical fellows in the School of Medicine.

GRADUATE STUDENT AND POSTDOC SUPPORT

[IN MILLIONS OF DOLLARS]

	2018/19					2019/20					2018/19 TO 2019/20 CHANGE	
	GENERAL/SCHOOL FUNDS ¹	DESIGNATED FUNDS	RESTRICTED STUDENT AID FUNDS	GRANTS & CONTRACTS	TOTAL	GENERAL/SCHOOL FUNDS ¹	DESIGNATED FUNDS	RESTRICTED STUDENT AID FUNDS	GRANTS & CONTRACTS	TOTAL	AMOUNT	PERCENT
Graduate Student Support												
Salaries/ Assistantships and paid work												
Teaching Assistants	18.5	0.2	14.2	0.1	33.0	24.9	0.4	10.2	0.1	35.6	2.6	8%
Research Assistants	9.2	10.6	20.5	44.2	84.5	11.4	8.5	21.6	51.0	92.5	8.0	9%
Fringe Benefits	2.0	1.2	2.3	2.6	8.1	2.4	1.0	2.3	3.1	8.8	0.7	9%
Tuition Allowance	54.2	5.1	12.4	20.4	92.2	58.3	4.0	10.7	22.9	95.9	3.8	4%
Total Compensation	83.9	17.2	49.4	67.3	217.8	97.0	13.9	44.8	77.1	232.8	15.0	7%
Fellowship Tuition	37.9	3.5	72.4	10.2	124.1	40.5	4.3	74.1	10.8	129.6	5.6	4%
Stipends	29.6	3.4	42.8	21.7	97.6	30.7	4.3	50.3	23.0	108.4	10.8	11%
Health Benefits	4.9	5.3	5.8	0.6	16.5	5.2	5.8	5.8	0.6	17.4	0.9	5%
Total Other and Fees	72.4	12.2	121.0	32.5	238.1	76.4	14.4	130.1	34.4	255.4	17.2	7%
Total Graduate Student Support	156.2	29.4	170.4	99.9	455.9	173.4	28.3	174.9	111.5	488.2	32.3	7%
Percent of Total	34.3%	6.4%	37.4%	21.9%	100.0%	35.5%	5.8%	35.8%	22.8%	100.0%	0.0	0%
Postdocs												
Salaries	3.8	17.9	17.8	71.2	110.8	5.3	15.2	21.1	83.2	124.8	14.1	13%
Stipends and Tuition	1.4	1.9	3.6	15.4	22.3	1.4	1.7	3.7	16.6	23.4	1.1	5%
Benefits	1.3	5.7	5.8	19.3	32.0	1.8	4.8	6.2	21.4	34.2	2.2	7%
Total Postdoc Support	6.4	25.6	27.2	105.9	165.1	8.5	21.7	31.0	121.2	182.4	17.3	10%
Percent of Total	3.9%	15.5%	16.5%	64.1%	100.0%	4.6%	11.9%	17.0%	66.5%	100.0%	0.0	0%

¹ General/School fungible funds are general funds and some Gift and Endowed funds that can be used for any purpose within a school.

GRADUATE ENROLLMENT BY SCHOOL AND DEGREE¹**2011/12 through 2020/21**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Graduate School of Business	940	961	971	1,002	1,007	1,012	1,048	1,039	1,042	933
Doctoral	105	103	110	121	130	131	126	125	129	126
Master's	67	82	83	89	91	93	105	82	88	1
Professional	768	776	778	792	786	788	817	832	825	806
School of Earth, Energy & Environmental Sciences	338	350	349	361	365	356	374	354	351	350
Doctoral	270	277	267	283	293	287	298	278	275	263
Master's	68	73	82	78	72	69	76	76	76	87
Graduate School of Education	355	343	355	334	341	312	313	313	306	252
Doctoral	171	178	181	171	158	151	153	154	153	147
Master's	184	165	174	163	183	161	160	159	153	105
School of Engineering	3,452	3,418	3,381	3,419	3,458	3,523	3,502	3,563	3,492	3,175
Doctoral	1,694	1,716	1,707	1,671	1,721	1,760	1,825	1,926	1,895	1,827
Master's	1,758	1,702	1,674	1,748	1,737	1,763	1,677	1,637	1,597	1,348
School of Humanities & Sciences	2,159	2,224	2,261	2,300	2,296	2,286	2,213	2,215	2,215	2,255
Doctoral	1,794	1,845	1,871	1,907	1,922	1,901	1,890	1,881	1,855	1,861
Master's	365	379	390	393	374	385	323	334	360	394
School of Law	631	641	631	650	649	668	669	647	651	570
Doctoral	20	23	23	21	20	21	21	21	21	16
Master's ²	59	63	55	70	68	83	89	78	85	18
Professional	552	555	553	559	561	564	559	548	545	536
School of Medicine	921	934	949	985	1,012	1,074	1,172	1,224	1,253	1,256
Doctoral	428	431	443	471	483	511	526	529	532	531
Master's	64	61	60	64	74	106	164	201	232	241
Professional	429	442	446	450	455	457	482	494	489	484
Continuing Studies				67	68	73	77	82	80	
Master's ³				67	67	73	77	82	80	
University-wide	8,796	8,871	8,897	9,118	9,196	9,304	9,368	9,437	9,390	8,791
Doctoral	4,482	4,573	4,602	4,645	4,727	4,762	4,839	4,914	4,860	4,771
Master's	2,565	2,525	2,518	2,672	2,666	2,733	2,671	2,649	2,671	2,194
Professional	1,749	1,773	1,777	1,801	1,802	1,809	1,858	1,874	1,859	1,826

Source: IR&DS Office fall quarter third week enrollment figures.

¹ Includes doctoral (including Terminal Graduate Registration), master's, and professional students (JDs, MDs, MBAs).² LLMs and JSMs are re-classified to Master's in this table from 2012/13.³ Beginning 2014/15, MLA students from Continuing Studies are included. In Winter 2020, Continuing Studies moved to the School of Humanities & Sciences.

SCHEDULE 7

UNDERGRADUATE TUITION, MANDATORY FEES AND ROOM & BOARD RATES

1991/92 through 2021/22

[IN DOLLARS]

YEAR	UNDERGRADUATE TUITION	PERCENT CHANGE FROM PREVIOUS YEAR	MANDATORY FEES ¹	ROOM & BOARD	PERCENT CHANGE FROM PREVIOUS YEAR	TOTAL COST	PERCENT CHANGE FROM PREVIOUS YEAR
1991/92	15,102	5.8%		6,160	3.9%	21,262	5.2%
1992/93	16,536	9.5%		6,314	2.5%	22,850	7.5%
1993/94	17,775	7.5%		6,535	3.5%	24,310	6.4%
1994/95	18,669	5.0%		6,796	4.0%	25,465	4.8%
1995/96	19,695	5.5%		7,054	3.8%	26,749	5.0%
1996/97	20,490	4.0%		7,337	4.0%	27,827	4.0%
1997/98	21,300	4.0%		7,557	3.0%	28,857	3.7%
1998/99	22,110	3.8%		7,768	2.8%	29,878	3.5%
1999/00	23,058	4.3%		7,881	1.5%	30,939	3.6%
2000/01	24,441	6.0%		8,030	1.9%	32,471	5.0%
2001/02	25,917	6.0%		8,304	3.4%	34,221	5.4%
2002/03	27,204	5.0%		8,680	4.5%	35,884	4.9%
2003/04	28,563	5.0%		9,073	4.5%	37,636	4.9%
2004/05	29,847	4.5%		9,500	4.7%	39,347	4.5%
2005/06	31,200	4.5%		9,932	4.5%	41,132	4.5%
2006/07	32,994	5.8%		10,367	4.4%	43,361	5.4%
2007/08	34,800	5.5%		10,808	4.3%	45,608	5.2%
2008/09	36,030	3.5%		11,182	3.5%	47,212	3.5%
2009/10	37,380	3.7%	501	11,463	2.5%	49,344	4.5%
2010/11	38,700	3.5%	501	11,876	3.6%	51,077	3.5%
2011/12	40,050	3.5%	519	12,291	3.5%	52,860	3.5%
2012/13	41,252	3.0%	537	12,721	3.5%	54,510	3.1%
2013/14	42,690	3.5%	555	13,166	3.5%	56,411	3.5%
2014/15	44,184	3.5%	573	13,631	3.5%	58,388	3.5%
2015/16	45,729	3.5%	591	14,107	3.5%	60,427	3.5%
2016/17	47,331	3.5%	609	14,601	3.5%	62,541	3.5%
2017/18	48,987	3.5%	630	15,112	3.5%	64,729	3.5%
2018/19	50,703	3.5%	651	15,763	4.3%	67,117	3.7%
2019/20	52,857	4.2%	672	16,433	4.3%	69,962	4.2%
2020/21	55,473	4.9%	696	17,255	5.0%	73,424	4.9%
2021/22	55,473	0.0%	696	17,860	3.5%	74,029	0.8%
		UNDERGRADUATE TUITION		ROOM & BOARD		TOTAL COST	
Compound Annual Increase, 1991/92 – 2021/22 (30 years):		4.4%		3.6%		4.2%	
Compound Annual Increase, 2011/12 – 2021/22 (10 years):		3.3%		3.8%		3.4%	

¹ Campus health service fee.

UNDERGRADUATE FINANCIAL AID BY TYPE OF AID AND SOURCE OF FUNDS¹

2010/11 through 2019/20

[IN THOUSANDS OF DOLLARS]

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Stanford Scholarships										
Need-based Awards ²										
Stanford Unrestricted Funds	36,266	34,586	34,073	24,658	21,877	18,030	22,116	23,952	31,015	32,799
Gifts and Endowment Income ³	83,352	92,260	93,058	101,568	108,816	116,923	121,412	129,002	134,247	136,219
Athletic Awards	17,381	18,018	18,787	20,141	19,952	22,727	23,688	24,359	26,068	25,033
Total Stanford Scholarships	136,999	144,864	145,919	146,367	150,645	157,680	167,216	177,313	191,330	194,051
External Grants										
Federal	7,581	7,474	7,211	6,872	7,283	6,923	6,946	7,306	7,744	8,086
State	3,811	3,666	3,474	3,344	3,275	2,687	2,503	2,432	2,619	2,811
Other	10,085	9,904	9,459	9,475	9,656	10,177	10,422	10,514	10,566	10,951
Total External Grants	21,477	21,043	20,143	19,691	20,214	19,786	19,871	20,251	20,930	21,849
Loans										
Federal	5,083	5,786	5,796	5,345	5,405	4,402	4,018	3,393	2,962	2,946
Other	1,874	2,097	1,807	2,049	2,413	2,500	2,424	2,784	3,055	3,515
Total Loans	6,957	7,883	7,603	7,394	7,818	6,902	6,442	6,178	6,017	6,461
Federal Work-Study Earnings	1,212	1,336	1,168	1,193	1,053	1,603	991	1,037	1,259	1,301
Grand Total	166,644	175,126	174,833	174,645	179,730	185,971	194,520	204,779	219,535	223,662

Source: Financial Aid Office

¹ Figures are actual expenses and are in thousands of dollars. The data include all funds awarded to undergraduate students administered through the Financial Aid Office, including aid that is not need-based.

² Included are endowed funds that are not need-based per donors' wishes. The amount is \$223,761 in 2019/20. Thus, the figures in this schedule will not equal the sum of the amounts for Stanford funded need-based awards in Schedule 9.

³ Includes support from the Stanford Fund.

SCHEDULE 9

UNDERGRADUATE NEED-BASED FINANCIAL AID 2021/22 Student Budget Needs and Sources, Including Parental and Student Contributions¹

[IN THOUSANDS OF DOLLARS]

	2016/17 ACTUALS	2017/18 ACTUALS	2018/19 ACTUALS	2019/20 ACTUALS	2020/21 PROJECTED	2021/22 BUDGET	2020/21 TO 2021/22 CHANGE	
							AMOUNT	PERCENT
Needs								
Tuition, Room & Board	195,085	201,917	214,946	217,362	228,147	257,999	29,853	13.1%
Books and Personal Expenses	18,695	22,046	23,619	25,341	25,182	29,681	4,499	17.9%
Travel	2,755	2,923	3,019	3,120	2,968	3,363	396	13.3%
Total Student Expenses	216,534	226,886	241,584	245,823	256,297	291,044	34,747	13.6%
Sources								
Total Family Contribution (Includes parent contribution for aided students, self-help, summer savings, assets, etc.)	59,136	58,994	61,324	60,344	43,405	59,016	15,611	36.0%
Endowment Income ²	99,860	106,781	112,511	114,347	119,372	124,076	4,704	3.9%
Expendable Gifts	2,786	1,717	1,792	1,225	1,225	1,250	25	2.0%
The Stanford Fund	18,673	20,363	19,759	20,457	20,102	20,600	498	2.5%
Federal Grants	5,809	6,349	6,721	6,841	7,500	7,955	455	6.1%
California State Scholarships	2,484	2,426	2,583	2,776	1,850	3,242	1,392	75.2%
Outside Awards	5,534	6,005	6,511	7,456	5,000	8,241	3,241	64.8%
Department Sources	1,216	1,559	1,696	1,095	1,443	1,445	2	0.1%
Unrestricted Funds	21,035	22,694	28,687	31,281	56,400	65,219	8,819	15.6%
Total Sources	216,534	226,886	241,584	245,823	256,297	291,044	34,747	13.6%
Number of Students on Need-Based Aid	3,198	3,242	3,329	3,380	3,350	3,627	277	8.3%

¹ In this table, sources of aid other than the family contribution include only aid awarded to students who are receiving scholarship aid from Stanford. Thus, the sum of the amounts for scholarships and grants will not equal the figures in Schedule 8.

² Endowment income includes reserve funds and specifically invested funds.

MAJORS WITH THE LARGEST NUMBER OF BACCALAUREATE DEGREES CONFERRED¹
2010/11 through 2019/20

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Computer Science	87	143	132	211	217	265	273	320	330	307
Human Biology	191	177	177	165	185	157	130	132	125	142
Symbolic Systems	21	21	37	44	38	55	63	65	80	106
Engineering	99	99	98	123	125	103	100	110	110	92
Economics	120	103	97	86	98	107	83	69	86	90
Management Science and Engineering	64	69	55	63	63	60	54	67	93	76
Biology ²	124	106	108	99	97	107	79	62	72	63
Political Science	72	72	55	61	44	54	53	57	57	57
Mechanical Engineering	56	50	60	53	79	94	86	75	79	54
Psychology	72	94	84	56	68	54	62	56	46	52
Mathematics	37	43	37	43	36	37	32	41	48	50
English	58	68	67	55	51	56	40	46	50	47
Electrical Engineering	43	39	36	33	42	50	61	51	63	46
Science, Technology, and Society	60	53	65	105	99	96	86	63	70	44
International Relations	103	96	88	63	63	59	61	50	54	42
Mathematical and Computational Science	20	17	25	23	31	27	42	47	46	39
Bioengineering						22	27	33	38	35
History	56	67	67	48	36	45	41	33	35	35
Earth Systems	40	53	33	44	30	21	29	33	34	30
Public Policy	26	25	30	27	23	21	17	20	13	20

Source: SIRIS Student Analytics, IR&DS Office

¹ This table includes the 20 degrees in which the most undergraduate degrees were awarded in 2019/20.

² In previous years, "Biological Sciences" degrees were not reported in the Budget Book under the "Biology" section. This report counts Biological Sciences degrees conferred as Biology degrees. Any discrepancies between prior years' numbers of Biology majors arises from this name change.

SCHEDULE 11

STUDENTS HOUSED ON CAMPUS

2001/02 through 2020/21

YEAR	UNDERGRADUATES HOUSED ON CAMPUS ¹	PERCENT OF UNDERGRADUATES HOUSED ON CAMPUS	GRADUATE STUDENTS HOUSED ON CAMPUS	GRADUATE STUDENTS HOUSED IN OFF-CAMPUS SUBSIDIZED APARTMENTS ²	PERCENT OF GRADUATE STUDENTS HOUSED BY STANFORD
2001/02	6,199	93%	3,748	932	62.1%
2002/03	6,138	91%	3,828	932	62.6%
2003/04	6,067	91%	4,013	632	59.6%
2004/05	6,046	90%	4,391	553	61.1%
2005/06	6,116	91%	4,218	430	56.8%
2006/07	6,050	90%	4,255	356	56.2%
2007/08	6,087	90%	4,421	130	55.6%
2008/09	6,160	90%	4,319	138	53.5%
2009/10	6,300	92%	4,650	0	55.1%
2010/11	6,257	91%	4,695	71	54.3%
2011/12	6,302	91%	4,700	68	54.2%
2012/13	6,371	91%	4,776	198	56.1%
2013/14	6,448	92%	4,645	362	56.3%
2014/15	6,503	93%	5,037	440	60.1%
2015/16	6,401	92%	5,001	708	62.1%
2016/17	6,538	93%	4,840	1,125	64.1%
2017/18	6,559	93%	4,847	1,146	64.0%
2018/19	6,555	93%	4,895	1,225	66.2%
2019/20	6,519	93%	4,875	1,234	65.0%
2020/21	715 ³	11%	4,576	404	56.6%

Source: The Office of Finance and Administration

¹ Students who are in overseas programs are not included.

² Students in Belden and other off campus programs are not included.

³ Note: Due to COVID-19 in the 2020/21 academic year, most undergraduate students lived and studied remotely.

**TOTAL PROFESSORIAL FACULTY
1986/87 through 2020/21**

	PROFESSORS	ASSOCIATE PROFESSORS	ASSISTANT PROFESSORS ¹	TENURE LINE TOTAL	NON-TENURE LINE PROFESSORS	GRAND TOTAL
1986/87	711	192	262	1,165	150	1,315
1987/88	719	193	274	1,186	149	1,335
1988/89	709	200	268	1,177	147	1,324
1989/90	715	198	265	1,178	146	1,324
1990/91	742	195	278	1,215	161	1,376
1991/92 ²	756	205	263	1,224	182	1,406
1992/93	740	209	245	1,194	214	1,408
1993/94	729	203	241	1,173	225	1,398
1994/95	724	198	252	1,174	256	1,430
1995/96	723	205	241	1,169	287	1,456
1996/97	731	205	239	1,175	313	1,488
1997/98	750	213	231	1,194	341	1,535
1998/99	758	217	237	1,212	383	1,595
1999/00	771	204	255	1,230	411	1,641
2000/01	764	198	268	1,230	440	1,670
2001/02	768	204	274	1,246	455	1,701
2002/03	771	202	259	1,232	481	1,713
2003/04	783	196	269	1,248	498	1,746
2004/05	792	193	280	1,265	514	1,779
2005/06	789	210	263	1,262	511	1,773
2006/07	807	210	261	1,278	529	1,807
2007/08	813	217	261	1,291	538	1,829
2008/09	821	224	267	1,312	564	1,876
2009/10	836	233	270	1,339	571	1,910
2010/11	826	237	261	1,324	579	1,903
2011/12	839	246	265	1,350	584	1,934
2012/13	865	252	281	1,398	597	1,995
2013/14	887	252	290	1,429	614	2,043
2014/15	912	257	306	1,475	643	2,118
2015/16	948	243	314	1,505	648	2,153
2016/17	956	253	305	1,514	666	2,180
2017/18	965	254	305	1,524	695	2,219
2018/19	971	255	312	1,538	702	2,240
2019/20	974	272	310	1,555	720	2,275
2020/21	973	292	296	1,561	718	2,279

Source: IR&DS Office September 1st figures.

¹ Assistant Professors "Subject to Ph.D." are included.

² Beginning in 1991/92, Medical Center Line and Senior Fellows in policy centers and institutes are included in non-tenure line professors.

SCHEDULE 13

DISTRIBUTION OF TENURED, NON-TENURED, AND NON-TENURE LINE PROFESSORIAL FACULTY¹ 2018/19 through 2020/21

SCHOOL UNIT OR PROGRAM	2018/19				2019/20				2020/21			
	TENURED	NON-TENURED	NON-TENURE LINE	TOTAL	TENURED	NON-TENURED	NON-TENURE LINE	TOTAL	TENURED	NON-TENURED	NON-TENURE LINE	TOTAL
School of Earth, Energy & Environmental Sciences	41	15	3	59	42	19	3	64	45	17	3	65
Graduate School of Education	34	8	9	51	34	12	8	54	39	10	6	55
School of Engineering	194	60	9	263	197	61	9	267	197	67	10	274
School of Humanities & Sciences	436	121	18	575	447	124	17	588	451	116	16	583
<i>Humanities</i>	174	51	9	234	177	55	8	240	173	52	7	232
<i>Natural Sciences</i>	145	34	6	185	148	34	6	188	150	32	6	188
<i>Social Sciences</i>	117	36	3	156	122	35	3	160	128	32	3	163
School of Law	48	8	10	66	47	8	9	64	47	7	10	64
Other	0	0	19	19	17			17			19	19
SUBTOTAL	753	212	68	1,033	767	224	63	1,054	779	217	64	1,060
Graduate School of Business	81	42		123	82	42		124	82	37		119
School of Medicine	323	94	631	1,048	322	87	654	1,063	335	79	651	1,065
SLAC	32	1	3	36	30	1	3	34	29	3	3	35
TOTAL	1,189	349	702	2,240	1,201	354	720	2,275	1,225	336	718	2,279

Source: IR&DS Office September 1 figures.

¹ Population includes appointments made part-time, "Subject to Ph.D.," and coterminous with the availability of funds.

NUMBER OF NON-TEACHING EMPLOYEES¹**As of December 31 Each Year****2013 through 2020**

	2013	2014	2015	2016	2017	2018	2019	2020	2019 TO 2020 CHANGE	
									AMOUNT	PERCENT
Academic Units										
Graduate School of Business	403	420	454	475	488	499	516	474	(42)	-8.1%
School of Earth, Energy & Environmental Sciences	100	107	115	128	127	128	122	121	(1)	-0.8%
Graduate School of Education	167	186	197	198	201	206	212	196	(16)	-7.5%
School of Engineering	493	518	504	467	483	497	501	556	55	11.0%
School of Humanities and Sciences	758	764	803	797	749	751	775	734	(41)	-5.3%
School of Law	160	154	158	159	157	168	168	165	(3)	-1.8%
School of Medicine ²	4,009	4,249	4,390	4,834	5,049	5,435	5,641	5,745	104	1.8%
Vice Provost & Dean of Research	624	641	671	683	713	706	725	737	12	1.7%
University Libraries	578	440	399	405	402	402	387	376	(11)	-2.8%
SLAC	1,447	1,400	1,392	1,428	1,461	1,507	1,469	1,552	83	5.7%
Other Academic (Hoover Institution, VPUE, VPGE, VPTL, VPA) ³	347	366	456	534	630	648	680	521	(159)	-23.4%
Academic Unit Total	9,086	9,245	9,539	10,108	10,460	10,947	11,196	11,177	(19)	-0.2%
Administrative Units										
Business Affairs	935	961	961	1,020	1,070	1,122	1,190	1,165	(25)	-2.1%
External Relations	407	427	441	453	465	474	490	473	(17)	-3.5%
General Counsel and Public Safety	93	95	96	99	100	94	99	99	0	0.0%
Land, Buildings & Real Estate	534	531	544	536	529	538	551	546	(5)	-0.9%
Office of the President & Provost	282	316	294	321	349	364	393	359	(34)	-8.7%
Student Affairs, Admission & Financial Aid	269	276	272	296	299	319	294	346	52	17.7%
Stanford Alumni Association	122	124	124	116	122	117	116	95	(21)	-18.1%
Stanford Management Company	74	79	62	53	49	51	50	46	(4)	-8.0%
Administrative Units Total	2,716	2,809	2,794	2,894	2,983	3,079	3,183	3,129	(54)	-1.7%
Auxiliary Units										
Athletics	184	202	212	229	242	254	243	226	(17)	-7.0%
Residential & Dining Enterprises	619	659	734	742	737	788	801	750	(51)	-6.4%
Auxiliary Unit Total	803	861	946	971	979	1,042	1,044	976	(68)	-6.5%
Total	12,605	12,915	13,279	13,973	14,422	15,068	15,423	15,282	(141)	-0.9%
Annual Percentage Change	1.9%	2.5%	2.8%	5.2%	3.2%	4.5%	2.4%	-0.9%		

Source: University Human Resources

¹ Includes benefits-eligible employees only. Does not include: faculty (including Medical Center Line), other teaching staff, instructors, coaches, lecturers, and students or employees working less than 50% time or hired for less than 6 months.² Non-teaching employees in the School of Medicine includes clinician educators who are classified as staff, though many of their responsibilities are similar to those held by members of the Professoriate.³ VPA was established in 2017. VPTL (Vice Provost for Teaching and Learning) was established in 2015 and subsequently merged with the Vice Provost for Student Affairs and School of Engineering in 2020; their numbers remain aggregated on this line in the table above.

SCHEDULE 15

FRINGE BENEFITS DETAIL¹

2012/13 through 2019/20

[IN THOUSANDS OF DOLLARS]

FRINGE BENEFIT PROGRAM	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Retirement Programs								
University Retirement	118,045	129,246	137,726	146,085	156,726	168,562	179,688	191,349
Social Security	112,378	119,458	125,968	134,538	143,989	153,858	164,878	174,004
Faculty Early Retirement	4,048	3,749	4,836	6,098	8,064	7,268	6,409	9,630
Stanford Retirement Annuity Plan/Other ²	4,994	219	291	391	5,314	1,539	2,311	8,403
Total Retirement Programs	239,466	252,672	268,822	287,112	314,094	331,228	353,286	383,386
Insurance Programs								
Medical Insurance	135,834	154,665	177,837	185,068	207,517	215,505	239,452	235,208
Retirement Medical	19,748	18,664	16,986	18,120	8,730	15,782	13,645	11,961
Worker's Comp/LTD/Unemployment Ins	23,556	27,529	25,869	22,810	22,165	20,447	20,804	18,385
Dental Insurance	13,214	12,976	12,427	12,784	12,177	12,634	12,985	9,689
Group Life Insurance/Other	17,772	20,716	22,355	22,840	25,206	28,634	30,104	32,996
Total Insurance Programs	210,124	234,550	255,475	261,623	275,796	293,002	316,990	308,238
Miscellaneous Programs								
Severance Pay	7,910	14,461	8,018	13,162	7,719	5,880	7,538	15,416
Sabbatical Leave	17,915	20,052	19,622	21,412	22,197	22,069	23,308	27,594
Other ³	15,556	17,294	18,722	19,523	19,778	25,666	28,837	29,167
Total Miscellaneous Programs	41,381	51,807	46,361	54,097	49,694	53,615	59,683	72,177
Total Fringe Benefits Programs	490,971	539,029	570,657	602,832	639,583	677,845	729,960	763,801
Carry-forward/Adjustment from Prior Year(s)	(8,160)	(2,654)	(2,849)	13,214	7,473	5,570	(10,447)	(6,531)
Total With Carry-forward/Adjustment	482,811	536,375	567,808	616,046	647,056	683,415	719,513	757,269
Weighted Average Fringe Benefits Rate	27.1%	28.4%	28.3%	28.5%	27.9%	27.5%	27.1%	26.8%

Note:

- The fringe rate at the bottom of the table is the weighted average of the four distinct fringe rates that are charged to (1) regular benefits-eligible employees, which includes all faculty and staff with continuing appointments of half-time or more; (2) postdoctoral scholars; (3) casual or temporary employees; and (4) graduate teaching and research assistants.
- The Stanford Retirement Annuity Plan had a 10.5 million reserve contribution in 2011/12 due to underfunded pension obligations.
- Other miscellaneous benefit programs include staff development, benefits counseling, faculty-staff recreation, and child care. Transportation benefits, such as the Caltrain Go Pass and VTA Eco Pass, were added in 2017/18.

SPONSORED RESEARCH EXPENDITURES BY AGENCY AND FUND SOURCE¹**2013/14 through 2019/20**

[IN THOUSANDS OF DOLLARS]

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
U.S. Government²							
Department of Health & Human Services	409,312	444,746	469,355	492,347	509,718	547,090	569,210
Department of Defense	86,630	83,078	82,956	85,493	72,020	70,980	69,461
National Science Foundation	66,492	67,211	66,794	61,300	61,023	60,095	61,580
Department of Energy (excluding SLAC)	27,041	26,853	26,609	25,936	22,853	20,038	24,622
National Aeronautics and Space Administration	17,905	17,881	18,113	17,645	17,413	16,422	16,623
Other U.S. Government Sponsors	8,477	10,382	9,534	9,089	11,494	12,940	9,119
Department of Education	5,174	5,075	5,258	4,255	3,134	1,805	1,246
Sub-Total for U.S. Government Agencies	621,031	655,227	678,619	696,066	697,653	729,369	751,861
Direct Expense-U.S. Government	441,726	465,581	482,386	490,572	490,788	512,916	533,774
Indirect Expense-U.S. Government ³	179,305	189,645	196,233	205,493	206,865	216,453	218,087
Non-U.S. Government							
Subtotal for Non-U.S. Government	220,557	243,120	265,970	291,060	325,218	340,528	320,159
Direct Expenditures-Non-U.S. Government	179,775	198,407	218,401	239,563	266,600	278,218	262,728
Indirect Expenditures-Non-U.S. Government ³	40,782	44,713	47,569	51,497	58,617	62,310	57,431
Grand Totals-U.S. and Non-U.S. Government							
Grand Total	841,588	898,346	944,589	987,126	1,022,871	1,069,897	1,072,020
Direct Expenditures-Total	621,501	663,988	700,787	730,136	757,388	791,134	796,502
Indirect Expenditures-Total	220,087	234,358	243,802	256,990	265,483	278,762	275,518
Percent of Total from U.S. Government	73.8%	72.9%	71.8%	70.5%	68.2%	68.2%	70.1%

Source: Office of Research Administration; Sponsored Projects Report for the Year Ended August 31, 2020.

¹ Figures are only for sponsored research; sponsored instruction and other sponsored activity is not included.
In addition, expenditures for SLAC's DOE contract are not included in this table.² Agency figures include both direct and indirect expenditures.³ Veterinary Service Center indirects are included in this figure.

SCHEDULE 17

SPONSORED RESEARCH EXPENDITURES BY SCHOOL¹

2013/14 through 2019/20

[IN THOUSANDS OF DOLLARS]

SCHOOL/UNIT	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Graduate School of Business	380	341	383	661	442	445	1,016
School of Earth, Energy & Environmental Sciences	14,717	15,431	12,841	11,596	15,540	16,158	16,400
Graduate School of Education	18,027	19,902	21,467	21,060	19,408	15,630	14,353
School of Engineering	148,717	143,484	135,975	141,057	150,510	142,383	138,374
School of Humanities & Sciences	72,089	73,890	86,285	89,160	85,028	91,608	99,971
School of Law	300	1,018	651	581	397	429	312
School of Medicine	505,405	563,225	602,615	643,202	671,160	720,235	710,679
Vice Provost & Dean of Research	76,714	74,600	79,269	74,416	73,392	74,783	67,000
Other ²	5,467	6,456	5,102	5,393	6,992	8,224	23,915
Total	841,816	898,346	944,589	987,126	1,022,871	1,069,897	1,072,020

Source: Office of Research Administration; Sponsored Projects Report for the Year Ended August 31, 2020, page 7.

¹ Figures are only for sponsored research including both direct and indirect expenditures; sponsored instruction and other sponsored activity is not included. In addition, expenditures for SLAC's DOE contract are not included in this table.

² "Other" includes SLAC, Hoover Institution, Stanford University Libraries, Undergraduate Admission and Financial Aid, Vice Provost for Student Affairs, Vice President for the Arts, Office of the President and Provost, Business Affairs, External Relations, and Continuing Studies and Summer Session.

PLANT EXPENDITURES BY UNIT¹
2012/13 through 2019/20

[IN THOUSANDS OF DOLLARS]

SCHOOL/UNIT	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Graduate School of Business	2,961	1,455	781	54,692	11,651	12,541	611	3,060
School of Earth, Energy & Environmental Sciences	730	192	3,384	1,034	2,047	3,132	1,370	832
Graduate School of Education	1,423		769			863	1,808	151
School of Engineering	4,165	170,713	10,637	35,228	13,623	27,394	6,361	17,687
School of Humanities & Sciences	107,202	10,089	75,930	46,120	64,607	136,286	24,225	31,918
School of Law	66	11,774	192	895	15	3,740	367	817
School of Medicine	76,588	15,317	45,380	67,525	13,607	16,121	17,195	210,032
University Libraries		41,676	4,651	2,216	970	574	294	25,654
Athletics	29,955	49,001	6,286	44,292	7,090	16,102	9,341	46,156
Residential & Dining Enterprises	27,788	134,083	35,046	111,465	41,737	5,839	8,150	6,195
All Other ²	123,850	175,837	377,341	105,569	244,253	141,812	793,101	1,355,909
TOTAL	374,728	610,138	560,397	469,036	399,599	364,405	862,824	1,698,410

Source: Schedule G-5, Capital Accounting

¹ Expenditures are from either plant or borrowed funds and are for building construction or improvements, or infrastructure.

² Includes General Plant Improvements expense. Significant increases in 2018/19 and 2019/20 are due to the capitalization of Stanford Redwood City and University Terrace in 2018/19 (\$634 million in total) and the capitalization of Escondido Village Graduate Residences and the Stanford ChEM-H Building in 2019/20 (\$1,196 million in total).

SCHEDULE 19

ENDOWMENT MARKET VALUE AND MERGED POOL RATE OF RETURN

2004/05 through 2019/20

YEAR	MARKET VALUE OF THE ENDOWMENT (IN THOUSANDS) ¹	MERGED POOL (FOR 12 MONTHS ENDING JUNE 30)	
		ANNUAL NOMINAL RATE OF RETURN	ANNUAL REAL RATE OF RETURN ²
2004/05	12,205,035	19.5%	17.0%
2005/06 ³	14,084,676	19.5%	16.2%
2006/07	17,164,836	23.4%	20.7%
2007/08	17,214,373	6.2%	4.0%
2008/09	12,619,094	-25.9%	-27.1%
2009/10	13,851,115	14.4%	13.4%
2010/11	16,502,606	22.4%	20.0%
2011/12	17,035,804	1.0%	-0.7%
2012/13	18,688,868	12.2%	10.8%
2013/14	21,446,006	16.8%	15.2%
2014/15	22,222,957	7.0%	6.0%
2015/16	22,398,130	-0.4%	-1.6%
2016/17	24,784,943	13.1%	11.5%
2017/18	26,464,912	11.3%	8.8%
2018/19	27,699,834	6.5%	4.8%
2019/20	28,948,111	5.6%	5.0%

Source: Stanford University Annual Financial Report and Stanford University Investment Report

¹ In addition to market value changes generated by investment returns, annual market value changes are affected by the transfer of payout to support operations, new gifts, and transfers to other assets such as plant funds.

² The real rate of return is the nominal rate less the rate of price increases, as measured by the Gross Domestic Product price deflator.

³ Beginning in 2005/06, living trusts are no longer included in the reported value of the endowment. The effect is to lower the market value for 2005/06 and beyond. For comparison, the restated value for 2005/06 would have been about \$14.7 billion.

EXPENDABLE FUND BALANCES AT YEAR-END

2011/12 through 2021/22

[IN MILLIONS OF DOLLARS]

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	PROJECTED 2020/21	PLAN 2021/22	2011/12 TO 2021/22 COMPOUND GROWTH
Academic Units												
Graduate School of Business	79.0	95.0	91.4	76.1	68.1	106.7	112.1	110.7	103.1	99.6	97.7	2.1%
School of Earth, Energy & Environmental Sciences	48.2	50.0	54.2	59.4	57.9	55.4	57.3	61.6	68.8	67.9	59.8	2.2%
Graduate School of Education	38.1	37.4	42.0	45.0	53.6	54.9	55.5	50.2	52.7	51.1	41.5	0.9%
School of Engineering	232.8	250.4	273.5	269.4	281.9	305.7	350.3	372.0	403.4	417.4	423.7	6.2%
School of Humanities and Sciences	285.1	278.8	255.3	266.4	295.5	276.3	284.1	314.4	358.5	378.9	399.7	3.4%
School of Law	21.9	21.6	24.1	24.2	34.7	36.7	24.6	25.5	28.1	28.2	28.3	2.6%
School of Medicine	612.9	769.4	846.7	999.2	1,119.1	1,237.1	1,346.6	1,477.5	1,608.9	1,739.4	1,790.9	11.3%
Vice Provost and Dean of Research	133.3	141.4	163.6	186.2	195.2	230.1	275.4	303.2	320.7	308.4	301.4	8.5%
Vice Provost for Undergraduate Education	22.8	20.3	21.7	21.6	24.2	24.4	32.4	32.3	36.5	40.5	32.9	3.7%
Vice Provost for Graduate Education	49.8	49.7	56.3	56.4	54.8	52.5	49.2	46.0	44.7	44.6	40.6	-2.0%
Vice President for the Arts ¹						28.0	25.0	25.3	26.4	25.2	23.7	
Hoover Institution	38.6	34.7	41.5	66.8	45.9	43.5	27.4	23.7	24.7	26.5	22.4	-5.3%
University Libraries	14.6	14.2	7.0	8.7	12.1	14.9	14.3	14.0	17.0	17.2	16.8	1.4%
Total Academic Units (excluding SLAC)	1,577.1	1,762.9	1,877.3	2,079.3	2,243.2	2,466.1	2,654.1	2,856.3	3,093.4	3,244.9	3,279.4	7.6%

¹ Vice President for the Arts was created in 2016/17. Prior to its inception, all activity was captured within the School of Humanities and Sciences.

SCHEDULE 21

ACADEMIC UNIT EXPENDABLE FUND BALANCES AT YEAR-END

By Level of Control

2017/18 through 2019/20

[IN MILLIONS OF DOLLARS]

	2017/18	2018/19	2019/20	COMPOUND ANNUAL GROWTH
School Earth, Energy & Environmental Sciences	57.3	61.6	68.8	9.5%
School	27.8	30.5	35.9	13.5%
Department/Program	15.1	16.1	16.1	3.1%
Faculty/PI	14.4	14.9	16.8	8.1%
Graduate School of Education	55.5	50.2	52.7	-2.5%
School	22.6	20.0	23.3	1.5%
Department/Program	19.1	15.1	13.4	-16.3%
Faculty/PI	13.8	15.0	16.1	7.9%
School of Engineering	350.3	372.0	403.4	7.3%
School	66.3	66.7	74.2	5.8%
Department/Program	142.8	151.1	168.6	8.7%
Faculty/PI	141.2	154.1	160.6	6.7%
School of Humanities & Sciences	284.1	314.4	358.5	12.3%
School	78.9	104.7	125.9	26.3%
Department/Program	101.8	101.9	121.1	9.1%
Faculty/PI	103.5	107.8	111.5	3.8%
School of Law	24.6	25.5	28.1	7.0%
School	20.7	20.4	21.9	2.8%
Department/Program	3.7	4.9	6.0	28.0%
Faculty/PI	0.1	0.1	0.2	18.1%
School of Medicine	1,346.6	1,477.5	1,608.9	9.3%
School	351.6	404.9	399.9	6.7%
Department/Program	623.3	654.4	724.4	7.8%
Faculty/PI	371.7	418.1	484.6	14.2%
Vice Provost and Dean of Research	275.4	303.2	320.7	7.9%
VP/Dean	8.3	15.3	4.7	-24.4%
Lab/Center/Institute	234.3	242.2	277.0	8.7%
Faculty/PI	32.8	45.7	39.0	8.9%
Graduate School of Business¹	112.1	110.7	103.1	-4.1%
Hoover Institution¹	27.4	23.7	24.7	-4.9%
Vice Provost for Graduate Education¹	49.2	46.0	44.7	-4.7%
Vice Provost for Undergraduate Education¹	32.4	32.3	36.5	6.1%
Vice President for the Arts¹	25.0	25.3	26.4	2.8%
University Libraries¹	14.3	14.0	17.0	8.8%
All Academic Units (excluding SLAC)				
School/Institution/VP	767.9	854.8	877.7	6.9%
Department/Program/Lab/Center/Institute	1,207.8	1,244.1	1,384.6	7.1%
Faculty/PI	678.4	757.4	831.1	10.7%
Total All Academic Units (excluding SLAC)	2,654.1	2,856.3	3,093.4	8.0%

Source: Fund level of restriction as coded in financial system.

¹ Fund balances in these units are largely under the control of the Dean/Director/Vice Provost or Program/Department.

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