Approved:
This Budget Plan was approved by the Stanford University Board of Trustees June 13-14, 2018.

This publication can be found at:
https://budget.stanford.edu/budget-plans
To The Board of Trustees:

I am pleased to submit the Stanford University 2018/19 Budget Plan for approval. This budget builds on Stanford’s many strengths and begins to incorporate early stage investments in selected initiatives emerging from the Long Range Planning (LRP) process.

The development of the budget over the past several months has been running a few steps ahead of the LRP process. Nonetheless, we were confident enough in some of the key planning directions that they have become important priorities and received initial incremental funding in the 2018/19 budget. These initiatives are described below. Otherwise, we have taken a measured approach in maintaining Stanford’s base operating structure and in funding a small number of new programs. Our overall financial reserve position has strengthened, providing some capacity for future enhancements emerging from the LRP process.

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 2018/19. 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 $171 million on $6.5 billion of revenues, $6.2 billion in expenditures, and $141 million in transfers. We anticipate revenue to increase 3.3% over the projected 2017/18 year-end results. This is the result, principally, of a 7.5% increase in health care services revenue and a 6.5% growth in investment income, offset by a 10.9% reduction in SLAC sponsored research activity, which is driven by a reduced construction program compared to 2017/18. Overall, we are budgeting a 4.9% increase in expenses, resulting from a 7.2% growth in compensation coupled with a 1.3% growth in all other expenses.

- Within the $6.5 billion in revenues in the Consolidated Budget are $1.5 billion in general funds, of which $204 million flows to the Graduate School of Business, the School of Medicine, and Continuing Studies in accordance with formula agreements. There will be $153 million set aside for the Capital Facilities Fund and other housing and facilities reserves. We anticipate a general funds surplus of $15 million, after reserving $15 million to support initiatives emerging from the LRP process in the coming years.

- This Budget Plan presents the projected 2018/19 results in a format consistent with accounting principles generally accepted in the United States of America (U.S. GAAP), as reported in the university’s annual financial report. The projected Statement of Activities shows a $50.7 million surplus.

- The Capital Budget calls for $1.2 billion in expenditures in 2018/19. These expenditures are in support of a Capital Plan whose projects, when fully completed, will total approximately $4.1 billion. Capital expenditures in 2018/19 will be directed toward the following large projects:
• $442 million toward the $1,161 million Escondido Village Graduate Residences opening in fall 2020.
• $143 million for Stanford Redwood City. This is part of a multi-year project to build an administrative campus in Redwood City at a total cost of $569 million. It is expected to open in February 2019 and be fully operational by the end of the 2018/19 fiscal year.
• $102 million for the $222 million BioMedical Innovations Building.
• $96 million for the $257 million Neuro/ChEM-H Research Complex.

STRATEGIC CONTEXT

The context in which we have developed the 2018/19 Budget Plan has been shaped by several factors:

- **Long Range Planning**—The initial outcomes from the Long Range Planning process have helped to set some important programmatic and budgetary priorities for Stanford for the coming years. Some of the key initiatives, particularly around affordability and diversity, received initial funding in this 2018/19 budget. Clearly, institutional directions set by the LRP initiatives will guide budget planning for many years to come.

- **Endowment Payout Growth**—The growth in payout from a typical endowment fund will be 3.1% for 2018/19. While this growth rate is considerably higher than in recent years, it will not cover the anticipated cost increase for expenses associated with endowed funds, be they scholarships, professorships, or programs. Consequently, managers at all levels of the university who rely on endowment payout will be looking for ways to reallocate or cut expense to cover the difference between expense growth and the payout.

- **Heightened Concerns Around Affordability**—Many Stanford faculty, staff, postdocs, and students face an increasing challenge of affording to live in the Bay Area. The high cost of housing, child care, and transportation have continued to accelerate this past year and were a major theme in the LRP proposals. For Stanford to maintain its excellence, we must develop meaningful solutions to these challenges.

- **Robust Philanthropic Support**—The flip side of the affordability situation is the robust local economy. A considerable portion of Stanford’s strong fundraising results come because of the strong growth in the region. Many of the area’s established and fastest growing companies, of course, began at Stanford or were developed by Stanford alumni. We are very fortunate to have many friends who support the university’s programs.

- **Opening of Stanford Redwood City**—The new Stanford Redwood City campus will open in mid-2018/19 and will be fully occupied by the end of the fiscal year. This budget includes operating costs and debt service for what will be a new and highly desirable self-contained administrative community.

These factors have helped define our major priority areas for the 2018/19 budget:

- **Support for Long Range Planning Initiatives**—Of the numerous LRP themes announced by President Tessier-Lavigne in his May 17, 2018 presentation to the Academic Council, several will receive support in the 2018/19 budget. We seek to move promptly to put initial funding behind some of these important areas.

- **Diversity**—One of the announced directions from the LRP process is the establishment of a presidential initiative called ‘Inclusion, Diversity, Equity and Access in a Learning Community (IDEAL)’. While many of the specifics will be emerging in the upcoming year, we decided to take
some initial actions by increasing funding for the community centers and student focused diversity initiatives. In addition, we will be providing incremental funds to the Faculty Incentive Fund and the Faculty Development Initiative to enhance Stanford’s efforts to increase the diversity of the faculty.

- **Affordability**—In light of the very high cost of living in the area, a strong salary program was budgeted for faculty and staff. In particular, part of the program will be used for high performing staff members who will most benefit from a salary adjustment. An important outcome of the LRP process is the creation of a university-wide steering committee on affordability. This group will be analyzing the many aspects of affordability, including housing, child care, transportation, and other benefits.

- **Undergraduate Financial Aid**—Stanford’s support for low income and first-generation college students continues to grow, resulting in an incremental $4.5 million in undergraduate financial aid.

- **Research Computing**—As part of the plan to provide infrastructure to support research, funds will be directed to enhance the Stanford Research Computing Center.

- **General Funds Surplus and Reserve for Future LRP Initiatives**—It has been our general practice since the 2008 recession to carry a general funds surplus to protect the budget against potential revenue shortfalls. For 2018/19 we are carrying a $15 million general funds surplus. In addition, we have $15 million remaining from a $20 million base budget reserve created in 2017/18 for future LRP initiatives.

- **Housing**—This budget continues our multi-year strategy to expand housing opportunities for students, faculty, and staff. We are addressing it with several aggressive initiatives:
  - Construction is well underway for a 2,434-bed graduate student housing complex in Escondido Village, with occupancy planned for 2019/20.
  - The University Terrace Faculty Homes will be fully available by the end of calendar 2018.
  - Stanford is buying homes and apartments in the local area under the $500 million Housing Acquisition Initiative approved by the Trustees.
  - We have approval from the city of Menlo Park to build additional faculty and staff housing at 500 El Camino Real and plan to spend $38 million on the $155 million project in 2018/19, with opening anticipated in 2019/20.
  - Next year Stanford will provide approximately $20 million in subsidies for off-campus apartments for graduate students, continuing a program begun in 2013, with a cumulative cost over this period of over $125 million.

**FINANCIAL RESERVES**

Stanford has three principal categories of financial reserves:

- **Expendable reserves**—We project Stanford’s expendable reserves will stand at $4.3 billion at the end of 2018/19. Of that amount, $3.7 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. 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 $1.52 billion by the end of 2018/19. 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 a subset of 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 Tier II Buffer is estimated to be $1.3 billion by the end of 2018/19. 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, however, is used at the discretion of the president. The corpus of the Tier II buffer acts as a general university reserve.

**CONSOLIDATED BUDGET FOR OPERATIONS**

The table on the next page shows the main revenue and expense line items for 2018/19 and compares those numbers to our current projection of final results for 2017/18. Some highlights of both income and expense follow.

**REVENUE**

**Student Income**—This figure is the sum of tuition and room and board income, and is expected to grow by 4.0%. Tuition income is projected to grow 3.8% over the projected 2017/18 actuals as the result of a 3.5% increase in the undergraduate and graduate tuition rates and a slight growth in the number of graduate students. Room and board income is projected to increase 4.6%, due to the 4.3% room and board rate increase and an increase in dining and conference revenue.

**University Sponsored Research**—Sponsored research revenues (excluding SLAC) are expected to grow by 2.4%. Federal research will increase by only 0.9%, while non-federal sponsored research will grow by 3.7%. This shift in sponsor mix has been an accelerating trend in recent years with the share of federal research support having dropped from 76% five years ago to just 68% projected in 2018/19.

**SLAC**—SLAC’s revenues are expected to decline by 11%, due to reduced construction activity compared to 2017/18. When SLAC is included, total sponsored research revenue is expected to decrease by 2.1% over 2017/18 projected year-end results.

**Health Care Services**—Revenue from health care services is projected to increase by 7.5% in 2018/19. 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 element of the Consolidated Budget over the last decade, with a compound annual growth rate of 11%. The 2018/19 growth is a bit slower than in recent years, though it still reflects robust clinical activity by Stanford faculty physicians.

**Expendable Gifts**—Stanford has enjoyed very strong fundraising results in recent years. Consistent with the estimate from the Office of Development, we expect expendable gift revenue to be flat in 2018/19.

**Investment Income**—This category consists of endowment payout ($1,319.9 million) and other investment income ($292.5 million), principally from the Expendable Funds Pool (EFP). Endowment payout is projected to increase by 6.7%. The payout growth to a typical endowment fund will be 3.1% for 2018/19, but overall payout growth is higher due to additions to endowment principal and real estate income. The Expendable Funds Pool payout is growing by 6% in 2018/19. By Trustee policy, EFP payout is based on the total return of the pool in the prior year, up to 5.5%.
EXPENSE

Compensation—We anticipate total compensation to increase 7.2% over 2017/18 year-end results. The increase is comprised of three elements: a strong merit-based salary program, a substantial market/equity/retention component, and a 3.3% overall increase in headcount.

Financial Aid—The amount of need-based financial aid, athletic aid, and graduate tuition aid will grow by 5.1%. This increase allows Stanford to maintain its generous need-based aid program for undergraduates, particularly for those families with incomes below $125,000. It also reflects a 4.5% increase in aid for graduate students, reflecting more generous graduate support in selected disciplines and a slight increase in the number of graduate students.

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 decrease by 0.6% in 2018/19, driven largely by SLAC’s reduced construction activity. Exclusive of SLAC, these expenses will grow by 3.3%.

CONSOLIDATED BUDGET FOR OPERATIONS, 2018/19

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<td><strong>6,261</strong></td>
<td><strong>6,319</strong></td>
<td><strong>3.3%</strong></td>
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| **Expenses**   |               |                 |                             |                                               |
| 3,368          | 3,622         | 3,594           | 3,854                       | 7.2%                                          |
| 287            | 298           | 305             | 321                         | 5.1%                                          |
| 199            | 199           | 197             | 222                         | 12.8%                                         |
| 1,762          | 1,734         | 1,827           | 1,817                       | −0.6%                                         |
| **Total Expense** | **5,615**     | **5,853**       | **5,924**                   | **4.9%**                                      |

| **Operating Results** | **417** | **408** | **395** | **311** |
| **Transfers** | (275) | (243) | (197) | (141) |
| **Operating Results after Transfers** | **171** |

| **Beginning Fund Balances** | **3,198** | **3,358** | **3,341** | **3,539** |
| **Ending Fund Balances** | **3,341** | **3,524** | **3,539** | **3,709** |
SCHOOL INITIATIVES

Stanford's principal academic units, the seven schools, will advance their agendas in 2018/19. A few highlights of their plans are:

**Graduate School of Business (GSB)**—The Business School continues its year-long planning effort focused on management education and research. The research focus on large scale experiments and the impacts of digital technology on organizations has already led to the creation of new courses in data sciences and strategic decision making.

**Earth, Energy & Environmental Sciences (SE3)**—Under its new dean, Stephen Graham, SE3 is focusing on enhancing its impact on undergraduates by consolidating three small departmental-based majors into a school-wide major, expanding field education offerings, and improving support for career exploration. In addition, the school is actively recruiting new faculty in anticipation of a significant number of upcoming retirements.

**Graduate School of Education (GSE)**—Through a recent planning exercise the GSE has developed several exciting programmatic initiatives, including: building a new special education program, expanding a program focused on students who face systemic challenges in school for social and cultural reasons, enhancing capacity in data sciences as a core research strategy, and increasing fellowship support for the Stanford Teacher Education Program.

**Engineering**—The school is advancing across all fields of engineering and continues to grow its student enrollment and faculty. Emerging from the school's own planning process and the university’s LRP process, Engineering plans to expand its reach in artificial intelligence and data science; enhance its efforts to diversify the faculty and students; improve student maker space and shared experimental facilities; and work on ways to address faculty recruiting and retention challenges in this region.

**Humanities and Sciences (H&S)**—The school has made significant progress over the past decade under its outgoing dean, Richard Saller. The school’s faculty is very strong, the physical plant has been renewed, and the financial situation is stable. The school is concerned about the student shift away from the arts, humanities, and social sciences, and is developing initiatives to increase the number of majors in those areas.

**Law**—The Law School has maintained its very high ranking nationally through ongoing efforts to recruit the strongest faculty and students. The school anticipates a significant number of faculty retirements in the coming decade and is establishing a pipeline of new faculty who will become the future of the school. The school also continues to innovate in its curricular development, expanding its global initiatives, and addressing the impact of technology on legal decision making.

**Medicine**—Stanford's largest school is concluding its planning process with its clinical and hospital partners who together comprise Stanford Medicine. As the process unfolds there will be an increased focus on the value equation of enhancing quality while driving down cost. In addition, Stanford Medicine will continue to partner with other areas of the university.
GENERAL FUNDS BUDGET

A key element of the annual budget process is the development of the general funds portion of the Consolidated Budget. The $1.15 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. As noted earlier, we budgeted a $15 million surplus.

As shown in the chart above, base general funds additions will total $66.9 million in 2018/19. About 52% will cover increases in continuing costs for salaries, benefits, non-salary costs, and the operating costs of facilities. The remaining $31.6 million in incremental base funding will be split among LRP initiatives, academic and faculty support, and administration and facilities costs. These purposes are further delineated below.

**Long Range Planning Initiatives ($12.4 million)**—Addressing issues of affordability, diversity, and access will be paramount as Stanford shapes its future. In that context we have included funding for an enhanced salary program, support for the community centers and other student-focused diversity programs, added financial aid for a growing number of first generation college-attending students, and increased core operations funding for the Stanford Research Computing Center. In 2017/18 we reserved $20 million in anticipation of LRP initiatives. We used $5 million toward the initiatives described here, retaining $15 million for future LRP needs.

**New Facilities Debt and Operations ($7.0 million)**—As new buildings come on line their operating costs are typically funded with general funds. We are budgeting for a full year of operation of the Bass Biology Building and a partial year of operation for the Neuro/ChEM-H Research Complex, which will open later in the 2018/19 fiscal year.

**Administration ($7.8 million)**—Administrative costs are almost entirely funded with general funds, whereas academic and program costs often have some portion of support coming from restricted funds. In next year’s budget we are expanding our investment in cloud computing, enhancing staffing in the Development Office, and strengthening our lab safety program.

**Academic and Faculty Support ($4.4 million)**—The bulk of funding for academic initiatives typically comes from restricted funds. However, general funds also play a critical role in supporting academic programs. For 2018/19 we are providing core personnel and program support to the Neurosciences Institute and enhanced funding for master’s students in the Graduate School of Education.
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 $1.2 billion, represents anticipated capital expenditures in 2018/19, notably for the Escondido Village Graduate Residences, Stanford Redwood City, and the Neuro/ChEM-H Research Complex. The three-year Capital Plan spans 2018/19 through 2020/21, with total project costs of $4.1 billion. The three-year plan includes projects that were initiated prior to 2018/19, as well as the full cost of projects starting within the rolling three-year period through 2020/21. The Capital Budget and Capital Plan are subject to change based on funding availability, budget affordability, and evolving university priorities.

ACKNOWLEDGMENTS

The Budget process this year was unusually challenging, with requests that exceeded our available funding by a factor of three. The decision to have a strong salary program further limited discretionary allocations. The priorities emerging from the LRP were extremely helpful in guiding the difficult decision-making process that we went through.

The Budget Plan is the product of a great deal of work on the part of managers and budget officers at every level of the university. I thank the budget officers and leadership in the schools and administrative units for their efforts in support of the budget process.

There are two hardworking advisory groups that assist me in formulating the general funds budget and capital plan. The University Budget Group consists of Margaret Brandeau, Sarah Church, Andrea Goldsmith, Judy Goldstein, Patti Gumport, Rosemary Knight, Randy Livingston, Steve Olson, Serena Rao, Steve Sano, Dana Shelley, George Triantis, and Tim Warner. This 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 the final allocations of general funds. Support for the Budget Group, and for the creation of this document, is provided by the University Budget Office staff, consisting of Kayte Bishop, Jacy Crapps, Neil Hamilton, Kulneet Homidi, Dana O’Neill, Mike Ling, Serena Rao, Davis Reek, Mark Rickey, and Dana Shelley, under the able leadership of Tim Warner.

I would like to acknowledge the help and support of Serena Rao who will be moving to another role at Stanford. She has been a wonderful participant in the University Budget Group over the years. We wish her well in her new position.

The Capital Planning Group consists of Jack Cleary, Lou Durlofsky, Megan Davis, Stephanie Kalfayan, David Lenox, Bob Reidy, Craig Tanaka, Bob Tatum and Tim Warner. Craig guides the capital planning process with remarkable efficiency, with excellent support from Howard Leung.
REQUESTED APPROVAL AND ORGANIZATION OF THIS DOCUMENT

The Budget Plan provides a university-level perspective on Stanford’s programmatic and financial plans for 2018/19. We seek approval of the planning directions, the principal assumptions, and the high-level supporting budgets contained herein. As the year unfolds, we will provide periodic variance reports on the progress of actual expenses against the budget. We will also report on any budgetary implications of initiatives emerging from the LRP process. Finally, we will bring forward individual capital projects for approval under normal Board of Trustees guidelines.

This document begins with an overview of budgeting at Stanford, followed by four chapters and two appendices. Chapter 1 describes the financial elements of the plan, including details of the Consolidated Budget for Operations and the projected Statement of Activities for 2018/19. Chapter 2 addresses programmatic directions in the academic areas of the university. Chapter 3 provides a similar view of the administrative and auxiliary units. Chapter 4 contains details on the Capital Budget for 2018/19 and the Capital Plan for 2018/19–2020/21. The appendices include budgets for the major academic units and supplementary financial information.

Persis S. Drell
Provost
June 2018
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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” 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, to the total of the Consolidated Budget for Operations. 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. Revenues are segregated into a variety of fund types, and the use of revenues 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, 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 funds, but this type of revenue may be commingled into a single fund. Departments may choose to combine unrestricted monies 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 2016/17, Stanford had roughly 23,500 active expendable funds and more than 8,000 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 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 Appendix B 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 are 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.