STANFORD UNIVERSITY
BUDGET PLAN 2015/16

Approved:

This Budget Plan was approved by the Stanford University Board of Trustees June 10–11, 2015.

This publication can be found at:
http://www.stanford.edu/dept/pres-provost/budget/plans/plan16.html

STANFORD UNIVERSITY

BUDGET PLAN 2015/16

EXECUTIVE SUMMARY

To The Board of Trustees:

The annual budget process provides an opportunity to assess Stanford's core strengths, to focus on strategic directions, and to provide support for selective initiatives that further our mission of teaching and research. Stanford is in excellent financial condition and continues to benefit from strong investment returns and robust philanthropic results, even though federal research funding remains mixed. This positive financial situation has allowed us to address many of our highest priorities in next year's budget, particularly a competitive salary program, enhancements to the undergraduate financial aid program, support for facilities, and limited investments in new academic programs and services. We are confident that this budget will serve to enhance Stanford's reach while continuing to strengthen our financial underpinnings.

This document presents Stanford's 2015/16 Budget Plan for Trustee approval. 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 next year. 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 the Lucile Packard Children's Hospital, both separate corporations, are not included in this Budget Plan, although they are included in the university's annual financial report.

Some highlights of the Budget Plan:

- The Consolidated Budget for Operations projects a surplus of $127.9 million on $5.5 billion of revenues, $5.1 billion in expenditures, and $231.4 million in transfers. We anticipate revenue to increase 4.3% over the projected 2014/15 year-end results. This is principally due to a 7.6% increase in investment income and a 12.7% Increase in SLAC revenues, moderated by only a 0.5% increase in health care services. The growth in SLAC revenue is due to an increase in construction projects. Growth in health care services is artificially low due to an unanticipated one-time payment of $51 million in 2014/15. We are budgeting a 5.2% increase in expenses.
- The Consolidated Budget includes $1.3 billion in general funds, of which $178.6 million flows to the Graduate School of Business, the School of Medicine, and the Continuing Studies and Summer Session Programs in accordance with previously agreed upon formulas. We anticipate a general funds surplus of $24.9 million, a figure comparable to prior years and one that provides a necessary cushion against revenue fluctuation and gives us the flexibility to address one-time needs throughout the year.
- This Budget Plan also presents the projected 2015/16 results in a format consistent with Generally Accepted Accounting Principles, as reported in the university's annual financial report. The projected Statement of Activities shows a $101.2 million surplus.

- The Capital Budget calls for $774 million in expenditures in 2015/16. These expenditures are in support of a Capital Plan whose projects, when fully completed, will total approximately $2.9 billion. Principal expenditures in 2015/16 will be directed toward:
  - $170 million for Stanford in Redwood City, Phase 1. This is part of a multi-year project to build out an administrative campus in Redwood City at a total cost of $543.7 million.
  - $103.5 million toward the $162 million California Avenue Faculty Homes project.
  - $43.5 million toward the $252.6 million Chemistry, Engineering & Medicine for Human Health (ChEM-H) and the Stanford Neurosciences Institute building.
  - $52.7 million to complete the Highland Hall at the Graduate School of Business.
  - $28.6 million to complete the Science Teaching and Learning Center (formerly Old Chemistry).

STRATEGIC CONTEXT

In developing the budget for 2015/16 we seek to maintain Stanford's considerable programmatic and financial strengths and to build upon them. Retaining our pre-eminent position requires, first and foremost, that we support our faculty, staff, and students, and the facilities where they do their work. While we expect our overall revenue growth to slow slightly in 2015/16 compared to recent years, we anticipate strong growth in our largest revenue source, investment income. This has allowed us to maintain a competitive compensation program for 2015/16, as well as to improve support for facilities. In contrast to the recent past, however, we have had to be more selective in making incremental base general funds allocations for new and enhanced programs.

Non-federal research support continues to comprise an ever-increasing share of university sponsored research. Excluding SLAC, it constituted 26% of total research revenue in 2013/14, up from only 17% in 2005/06. In real terms, non-federal research support has grown 6.7% annually, compared to an annual decline of 0.7% for federal research support. We expect this trend to continue into 2015/16, with the federal component of research increasing over projected 2014/15 levels by just 1.7% and non-federal by 3.6%, resulting in total university research growth of 2.5%. The growth, however, varies considerably across campus, with the School of Medicine anticipating a 3.2% increase, the schools of Humanities and Sciences and Engineering projecting almost no growth, and the Dean of Research expecting a decrease of over 6%.

Some of this year's key budget decisions are:

FINANCIAL AID

We made significant enhancements to the undergraduate financial aid program for 2015/16. We raised the family income level at which parents are not required to contribute to college expenses from $60,000 to $65,000, and we increased the income threshold from $100,000 to $125,000 at which the financial aid program will cover full tuition. Other adjustments were made that will benefit all families who qualify for financial aid. These enhancements add about $5 million to the undergraduate aid program.

FACILITIES

Several new facilities will open, or be in their first full year of operation, in 2015/16. These include the Lathrop Library, the McMurtry Building, the Science Teaching and Learning Center, and the Roble Field Parking Structure. Stanford will incur about $3 million in annual operating costs for these new and renovated structures. In addition, the new Central Energy Facility will be in its first full year of operation. We anticipate a 12.6% drop in campus utility costs in 2015/16 due largely to the substantial write-off in 2014/15 of stranded utility assets associated with the old energy system, the amortization of which will no longer be in the utility charge-out rates. In addition, the new facility is significantly more efficient, lowering our energy consumption, using less water, and requiring less operations and maintenance. Electricity prices are projected to be 19% lower than the current year, due to a very favorable one-year contract; the 2015/16 total electricity price, including transmission fees, is 8% below 2010/11 levels.

HOUSING

Stanford has had very strong housing assistance programs for faculty and has made substantial investments in graduate student housing, both on campus and through off-campus subsidies. However, the robust local economy has made housing very difficult for new faculty recruits, staff, and graduate students. As a result, in 2015/16 we will expand our efforts with purchases of several properties in the local area, which will be rented or leased to faculty and staff. We will also open the California Avenue faculty housing project and expand the rent subsidy program for lower-income faculty in Humanities and Sciences.

ACADEMIC SUPPORT

General funds allocations were made to support teaching and learning activities, notably to fund the new Vice Provost for Teaching and Learning, to support enhanced teaching efforts in Computer Science and Mechanical Engineering, and to provide innovative learning technology in the new McMurtry Building. Allocations were also made to the Faculty Development Initiative and Faculty Incentive Fund, programs that support recruitment of underrepresented minorities, and for incremental faculty salaries to address market and equity issues.

FINANCIAL RESERVES

Stanford has three principal categories of financial reserves:

Expendable reserves – We project Stanford's expendable reserves will stand at $4.0 billion at the end of 2015/16. Of that amount, $2.9 billion is a combination of reserves, restricted and unrestricted expendable funds, and unspent restricted endowment payout. The remaining $1.1 billion is split between plant funds ($1.0 billion) and student loan and agency funds ($118 million). These reserves sit in thousands of funds held across the university, largely controlled by individual faculty members, departments, programs, and schools.

Tier I Buffer – We project the Tier I Buffer will stand at $1.3 billion by the end of 2015/16. The Tier I Buffer consists of 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 from investment returns on a subset of our expendable reserves. The Tier I Buffer acts as a backstop to maintain the value of those expendable funds, which are invested in the merged pool.

Tier II Buffer – The Tier II Buffer is estimated to be $1.2 billion by the end of 2015/16, which is close to its nominal value before the recession. 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 is used at the discretion of the president. (Further detail on the buffers may be found in Chapter 1 in the Other Investment Income section.)

CONSOLIDATED BUDGET FOR OPERATIONS, 2015/16

[IN MILLIONS OF DOLLARS]

2013/14 ACTUALS	2014/15 BUDGET JUNE 2014	2014/15 PROJECTED ACTUALS		2015/16 CONSOLIDATED BUDGET	CHANGE FROM PROJECTED ACTUALS
			Revenues		
783	820	819	Student Income	849	3.6%
897	915	934	University Sponsored Research	957	2.5%
369	413	451	SLAC	508	12.7%
778	816	959	Health Care Services	964	0.5%
342	315	320	Gifts and Net Assets Released from Restrictions	315	−1.7%
1,217	1,270	1,297	Investment Income	1,395	7.6%
507	551	495	Special Program Fees and Other Income	514	4.0%
4,893	**5,100**	**5,275**	**Total Revenues**	**5,502**	**4.3%**
			Expenses		
2,665	2,840	2,909	Compensation	3,054	5.0%
249	256	264	Financial Aid	281	6.4%
173	183	203	Debt Service	193	−5.1%
1,382	1,442	1,514	Other Operating Expense	1,615	6.7%
4,468	**4,721**	**4,890**	**Total Expenses**	**5,143**	**5.2%**
425	**379**	**385**	**Operating Results**	**359**	
(308)	(219)	(263)	Transfers	(231)	
117	**160**	**122**	**Operating Results after Transfers**	**128**	
2,575	2,702	2,692	Beginning Fund Balances	2,814	
2,692	2,862	2,814	Ending Fund Balances	2,942	

CONSOLIDATED BUDGET FOR OPERATIONS

The table above shows the main revenue and expense line items for 2015/16 and compares those numbers to our current projection of final results for 2014/15. 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 3.6%. Tuition income is projected to grow 3.6% over the projected 2014/15 actuals as the result of a 3.5% increase in the general undergraduate and graduate tuition rates and a slight growth in the number of students in the School of Medicine and the Graduate School of Business. Room and board income is projected to increase 3.5%, due to an increase in the room rate of 4.4% and an increase in the board plan of 2.2%.

University Sponsored Research – Total sponsored research revenue (excluding SLAC) is expected to grow by only 2.5%. SLAC's revenue will increase by 12.7%, due to an accelerated construction program. When SLAC is included, total sponsored research revenue will increase by 5.8% over 2014/15 projected year-end results.

Health Care Services Income – We project health care services revenue to increase by just 0.5% in 2015/16. This revenue consists principally of payments from the hospitals to the School of Medicine for faculty physician services. This increase is artificially low since the revenue for 2014/15 includes a one-time non-recurring payment of $51 million associated with a change in the professional services agreement between the School of Medicine and Stanford Health Care. Adjusting for that payment yields an underlying increase of 6.2%. Health care services has been the fastest growing element of the Consolidated Budget, with an estimated compound annual growth rate of 10% for the ten years ending in 2015/16.

Expendable Gifts – Revenue from expendable gifts is expected to be essentially flat in 2015/16 over projected results for 2014/15. This is due in part to several unanticipated large pledge payments in 2014/15 that we do not expect to recur. Absent those payments, the underlying growth rate is approximately 4%.

Investment Income – This category consists of income paid out to operations from the endowment ($1,152.4 million) and from other investment income ($242.9 million), the majority of which is payout from the expendable funds pool (EFP). Overall, investment income is expected to be up by 7.6% in 2015/16. Endowment payout is projected to increase by 7.9%, based on the Trustee-approved payout rate and our forecast of approximately $380 million in new gifts and other additions to endowment. Other investment income is expected to be up by 6.1%. This increase is governed by the EFP policy, which uses the prior year's investment return to set most of the payout in the subsequent year. We expect that the returns this year will be adequate to provide full EFP payout in 2015/16.

EXPENSE

Salaries and Benefits – We anticipate total compensation to increase 5.0% over 2014/15 year-end results. The increase is the result of our salary program, a 3.0% overall increase in headcount, and a slight increase in the regular benefits eligible fringe benefits rate.

Financial Aid – The cost of need-based financial aid, athletic aid, and graduate student aid will increase by 6.5%. This increase allows Stanford to expand its generous need-based aid program for undergraduates, particularly for those families with annual incomes below $125,000. It also reflects a 5.1% 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 debt service, graduate stipends, operations and maintenance, utilities, capital equipment, materials and supplies, travel, library materials, subcontracts, and professional services. We project these expenses to grow by 5.3% in 2015/16, due to the significant increase in SLAC construction expenditures, a drop in internal debt service, and lower energy commodity costs. The remaining components of other operating expenses, which comprise 74% of the total, are expected to increase by 3.5%.

SCHOOL INITIATIVES

Stanford's principal academic units, the seven schools, have ambitious agendas for 2015/16. A few highlights of their plans are:

Graduate School of Business (GSB) – The GSB begins the second five years of its 2020 strategic plan with new electives, additional joint degrees, and further expansion in 2015/16 of the highly successful MSx program. The school also plans to continue expanding the international "Ignite" certificate program and to extend the impact of the SEED program in West Africa.

Earth, Energy & Environmental Sciences (SE3) – The school's new name reflects the expanding reach of its research and teaching programs. SE3 hopes to add 10-15 new faculty in the coming decade and is working to secure funding for a new teaching and research facility.

Graduate School of Education (GSE) – In 2015/16, the GSE aims to deepen its more than 100 partnerships with school districts across the country. The school also plans to expand its education leadership programs and will join with the GSB to offer the first Stanford Executive Program for Education Leaders. The GSE is also in the process of planning for a new building that will bring together faculty who are currently housed in six disparate facilities around the campus.

Engineering – The school is nearing the completion of a strategic planning exercise that will help set its directions and budget allocations for the coming decade. In the 2015/16 budget process, the school will focus on its more immediate operational needs. These include support for burgeoning undergraduate enrollments in Computer Science and Mechanical Engineering; the expansion of shared research facilities, particularly in the Stanford Nanofabrication Facility; and needed enhancements to lab safety.

Humanities and Sciences (H&S) – The school has recently experienced remarkable success in faculty recruitment, and as a consequence the faculty has grown over the past two years to entirely replace losses that occurred during the recession. Many of the new positions are at the senior level and have required school reserves to support startup packages. H&S has also invested heavily in the Arts District and the new Biology/Chemistry Precinct, investments that will soon be paying dividends. The school is also focusing on more effective use of its resources for graduate student financial aid.

Law – Like H&S, Law has successfully recruited an exciting group of new faculty to maintain and enhance its reputation. Though the environment for law schools nationally is difficult, the Stanford Law School continues to attract outstanding students who are in great demand by employers. In the coming years the school will continue to enhance its reputation by expanding its clinical and lab programs and by strengthening its focus on international legal education.

Medicine – Despite the decrease in the NIH budget, Stanford Medical School researchers continue to outpace their peers at other institutions in annual research funding. The school's partnership with Stanford Health Care and the Lucile Packard Children's Hospital remains strong, and the focus on precision health will place Stanford Medicine at the forefront of the next generation of medical care.

GENERAL FUNDS BUDGET

A focal point of the budgeting process is the development of the general funds component of the Consolidated Budget. The $1.3 billion in general funds can be used for any university purpose and provides essential funding for all of the core academic and support functions of the university.

As shown in the chart on the next page, the general funds budget will increase by $43.4 million. About half covers inflationary adjustments for salaries, benefits, non-salary costs, and the operating costs of existing facilities. Of the remainder, about two-thirds will go to operations and maintenance, utilities, and debt service on new facilities, and to enhanced undergraduate financial aid. The remaining one-third includes a number of smaller allocations for academic support, faculty support, and student and administrative enhancements, as highlighted below:

Academic and Research Funding – One strategic priority this year was to ensure that important existing programs relying on recurring one-time funds receive permanent general funds. Accordingly, we allocated significant operational support for the Institute for Chemistry, Engineering & Medicine for Human Health (ChEM-H), the Precourt Institute for Energy, and for the new Vice Provost for Teaching and Learning, each of which had been receiving repeated one-time allocations from President's Funds or other sources of one-time funding. Funding was also provided for ongoing support of the Stanford Electronic Research Administrations (SeRa) system and to improve lab safety in the School of Engineering.

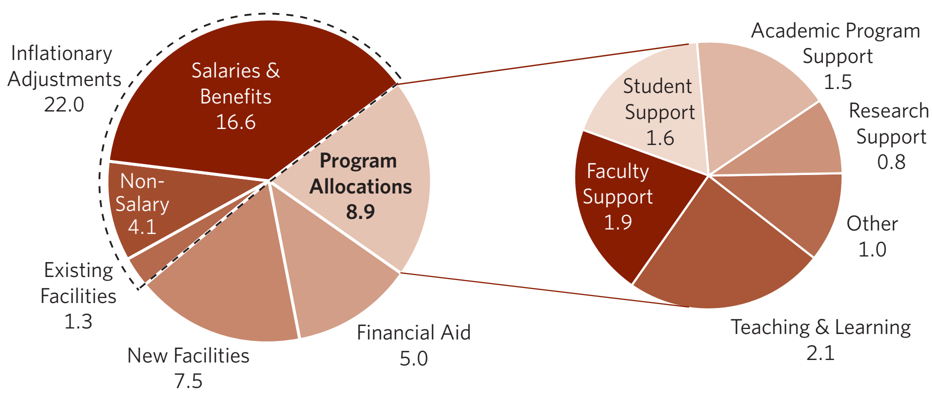
Faculty Support – We continued our investment in the Faculty Incentive Fund and the Faculty Development Initiative to encourage ongoing recruitment of underrepresented minorities and women to the faculty. In addition, we allocated $1 million in three different schools to help recruit and retain faculty, as well as to address faculty salary equity concerns.

Student Support – In addition to the large allocation for undergraduate financial aid, we addressed several issues of graduate student support. Waning federal research funding, particularly in H&S, has jeopardized graduate support. We provided an allocation to Biology to remedy the reduction in a large, long-standing NIH training grant that had been one of the mainstays of graduate funding in that department. We also allocated funds to H&S to secure a pilot program aimed at increasing diversity in the graduate student population. Finally, as mentioned earlier, we provided additional teaching support for two Engineering departments that have seen significant enrollment growth: Computer Science and Mechanical Engineering.

The pie chart below reflects all of the general funds additions. After making these program additions we anticipate a general funds surplus of $24.9 million.

2015/16 GENERAL FUNDS ADDITIONS: $43.4 MILLION

[IN MILLIONS OF DOLLARS]



CAPITAL BUDGET AND 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 three-year Capital Plan spans 2015/16 through 2017/18; the Capital Budget represents anticipated capital expenditures in the first year of the plan. The three-year plan includes projects that were initiated prior to 2015/16, as well as projects that will commence within the rolling three-year period through 2017/18. The Capital Budget and Capital Plan are subject to change based on funding availability, budget affordability, and evolving university priorities.

We are forecasting a 2015/16 Capital Budget of $774 million. The major projects within the Capital Budget include $170 million in initial funding for Stanford in Redwood City, $103.5 million for the California Avenue Faculty Homes, $43.5 million for ChEM-H and the Stanford Neurosciences Institute building, and $13.3 million for the Bass Biology Research Building, among other projects.

The three-year Capital Plan includes $2.9 billion in construction and infrastructure projects and programs. The projects noted above comprise the bulk of the Plan, but it also includes a number of smaller projects and 10 infrastructure programs.

ACKNOWLEDGEMENTS

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 would like to begin by acknowledging the budget officers and leadership in the schools and administrative units for their efforts in support of the budget process. I am particularly grateful to the leadership of the schools for making a concerted effort to fund new initiatives first out of restricted, school-controlled funds, and only secondarily asking for general funds supplementation when these funds fall short.

As always, I am extremely grateful to two hardworking advisory groups that assist me in formulating the general funds budget and capital plan. The University Budget Group consists of Margaret Brandeau (on leave in 2014/15), Adam Daniel, Harry Elam, Andrea Goldsmith, Judy Goldstein, Patti Gumport, Neil Hamilton, Rosemary Knight, Randy Livingston, Maureen McNichols, Kam Moler, Dana Shelley, George Triantis, and Tim Warner. Judy Goldstein (Political Science) and George Triantis (Law) joined the group this year, replacing Bob Simoni and Buzz Thompson, longstanding members who cycled off after many years of service. 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. Staff support for the Budget Group, and for the creation of this document, is provided by the Budget Office staff, consisting of Kayte Bishop, Jacy Crapps, Neil Hamilton, Betsy Lewis, Mike Ling, Serena Rao, Mark Rickey, and Dana Shelley, under the able leadership of Tim Warner.

The Capital Planning Group consists of Jack Cleary, Megan Davis, Alise Johnson, Stephanie Kalfayan, Dave Lenox, Bob Reidy, Craig Tanaka, Bob Tatum and Tim Warner. Craig and Alise guide the capital planning process with remarkable efficiency, while Megan tracks all financial aspects of the plan and supervises the final write-up in Chapter 4 of this document.

REQUESTED APPROVAL AND ORGANIZATION OF THIS DOCUMENT

The Budget Plan provides a university-level perspective on Stanford's programmatic and financial plans for 2015/16. 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. In addition, we will bring forward individual capital projects for approval under normal Board of Trustees guidelines.

This document contains four chapters and two appendices. Following the overview of budgeting at Stanford, Chapter 1 describes the financial elements of the plan, including details of the Consolidated Budget for Operations and the projected Statement of Activities for 2015/16. Chapter 2 addresses program 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 2015/16 and the Capital Plan for 2015/16–2017/18. The appendices include budgets for the major academic units and supplementary financial information.

John W. Etchemendy
Provost
June 2015

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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" 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.

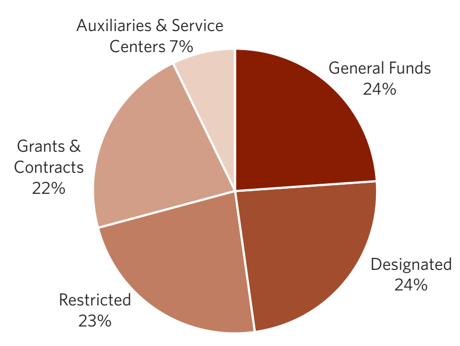
Fund Accounting

Stanford's budgets are developed and managed according to the principles of fund accounting. 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 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 2013/14, Stanford had roughly 20,000 active expendable funds (with balances) and more than 7,500 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

2015/16 CONSOLIDATED REVENUES BY FUND TYPE



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.

CHAPTER 1

CONSOLIDATED BUDGET FOR OPERATIONS

In this chapter we review the details of the 2015/16 Consolidated Budget for Operations, describe the general funds allocation process and results, and present a forecasted Statement of Activities.

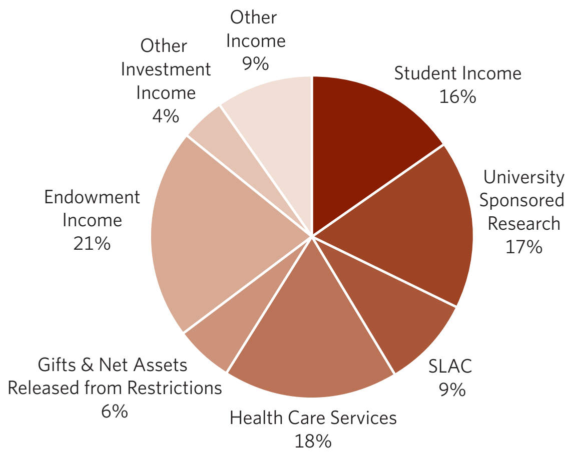
CONSOLIDATED BUDGET FOR OPERATIONS

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 forecasts from the schools and administrative areas. These forecasts are then merged with the general funds budget forecast and adjusted by the University Budget Office for consistency. 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.

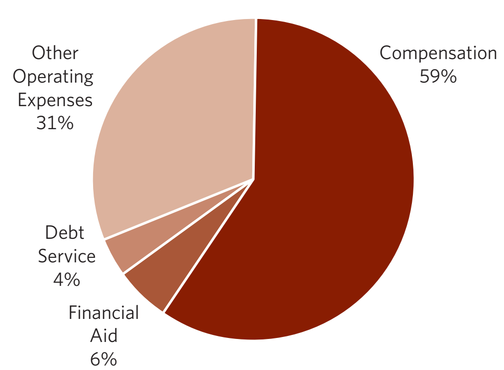
The 2015/16 Consolidated Budget for Operations shows total revenue of $5,502.2 million and expenses of $5,142.9 million, resulting in a net operating surplus of $359.3 million. However, after estimated transfers of $231.4 million, primarily to endowment principal and to plant funds, the Consolidated Budget shows a surplus of $127.9 million.

Total revenues in 2015/16 are projected to increase $227.4 million or 4.3% over 2014/15 revenues, which, in turn, are expected to increase by a robust 7.8% over 2013/14. The substantial growth in 2014/15 is driven by strong sponsored research activity and by a change in the funds flow from the hospitals to the School of Medicine for faculty clinical activity. However, $51 million of health care services

2015/16 CONSOLIDATED REVENUES: $5,502.2M [1]



2015/16 CONSOLIDATED EXPENSES: $5,142.9M



[1] Net Revenues after Transfers: $5.270.8 Million

CONSOLIDATED BUDGET FOR OPERATIONS, 2015/16

[IN MILLIONS OF DOLLARS]

2013/14 ACTUALS	2014/15 BUDGET JUNE 2014	2014/15 PROJECTED ACTUALS		GENERAL FUNDS	DESIGNATED	RESTRICTED	GRANTS AND CONTRACTS	AUXILIARY & SERVICE CENTER ACTIVITIES	TOTAL
			Revenues and Other Additions						
317.4	330.3	330.1	Undergraduate Programs	340.6	0.5	0.0	0.0	0.0	341.2
313.8	326.8	327.2	Graduate Programs	334.6	5.3	0.0	0.0	0.0	339.9
151.3	162.5	162.1	Room and Board	0.0	0.0	0.0		167.8	167.8
782.5	819.5	819.4	Student Income	675.2	5.8			167.8	848.9
669.7	682.6	699.7	Direct Costs—University	0.0	0.0	0.0	715.7	0.0	715.7
227.7	232.5	234.5	Indirect Costs	241.5	0.0	0.0	0.0	0.0	241.5
897.3	915.2	934.2	University Sponsored Research	241.5	0.0	0.0	715.7	0.0	957.2
369.3	413.2	450.5	SLAC	0.0	0.0	0.0	507.5	0.0	507.5
778.2	816.1	959.0	Health Care Services	31.4	830.7	6.1	0.0	96.0	964.2
342.1	315.0	320.4	Gifts and Net Assets Released from Restrictions	3.6	0.0	311.4	0.0	0.0	315.0
984.7	1,064.7	1,067.9	Endowment Income	239.0	0.0	913.5	(0.0)	0.0	1,152.4
232.1	205.0	228.9	Other Investment Income	103.2	137.0	2.2	0.1	0.4	242.9
1,216.8	1,269.7	1,296.8	Investment Income	342.2	137.0	915.7	0.1	0.4	1,395.3
507.1	550.9	494.5	Special Program Fees and Other Income	19.3	349.1	1.6	0.3	143.8	514.1
4,893.5	**5,099.5**	**5,274.8**	**Total Revenues**	**1,313.3**	**1,322.6**	**1,234.8**	**1,223.6**	**408.0**	**5,502.2**
			Expenses						
2,665.3	2,840.4	2,909.3	Compensation	782.0	827.5	544.7	624.7	275.3	3,054.2
248.8	255.7	263.5	Financial Aid	53.8	6.9	202.9	16.8	0.1	280.5
172.7	183.0	203.4	Internal Debt Service	60.7	23.1	2.0		107.1	193.0
1,381.6	1,441.6	1,513.5	Other Operating Expenses	288.2	280.1	230.9	549.9	265.9	1,615.2
4,468.3	**4,720.8**	**4,889.8**	**Total Expenses**	**1,184.8**	**1,137.7**	**980.5**	**1,191.5**	**648.5**	**5,142.9**
425.1	**378.8**	**385.0**	**Operating Results**	**128.6**	**184.9**	**254.3**	**32.1**	**(240.5)**	**359.3**
			Transfers						
(112.5)	(75.0)	(100.0)	Transfers from (to) Endowment Principal	0.0	(50.0)	(50.0)	0.0	0.0	(100.0)
(235.5)	(158.8)	(200.9)	Transfers from (to) Plant	(97.1)	(64.0)	(6.5)	0.0	0.0	(167.5)
40.1	15.0	37.9	Other Internal Transfers	(6.6)	(5.0)	(166.4)	(32.1)	246.2	36.1
(307.8)	**(218.8)**	**(262.9)**	**Total Transfers**	**(103.7)**	**(119.0)**	**(222.9)**	**(32.1)**	**246.2**	**(231.4)**
117.3	**160.0**	**122.1**	**Operating Results and Transfers**	**24.9**	**65.9**	**31.4**	**0.0**	**5.7**	**127.9**
2,574.8	2,702.4	2,692.1	Beginning Fund Balances	428.6	1,133.1	1,217.6	32.4	2.5	2,814.2
2,692.1	2,862.4	2,814.2	Ending Fund Balances	453.5	1,199.0	1,248.9	32.5	8.2	2,942.1

revenue in the current year will not recur in 2015/16 and, therefore, moderates the overall growth in revenue in 2015/16. If the 2014/15 health care services anomaly is excluded, total revenue is expected to increase 5.3%. Student income is expected to keep pace with the rise in tuition rates. For the first time since the recession, investment income in 2015/16 will represent the single largest revenue source in the Consolidated Budget for Operations, reaching $1,395.3 million, a 7.6% increase over the current year.

Total expenses in 2015/16 are expected to grow by 5.2% over the projected year-end results for 2014/15, but only 4.4% excluding SLAC. SLAC expenses are expected to grow by 12.7% overall, due to a $51.1 million, or 34.3%, increase in construction activity. While the general salary program for both faculty and staff is comparable to past years, increased headcount as well as incremental market adjustments for both faculty and staff will drive up overall compensation expenses. Growth in general operating expenses is expected to slow somewhat compared to the increases of the past several years. The table on the facing page shows the projected consolidated revenues and expenses for 2015/16. For comparison purposes, it also shows the actual revenues and expenses for 2013/14 and both the budget and the year-end projections for the current fiscal year, 2014/15. Definitions of key terms are provided below.

The Consolidated Budget by Principal Revenue and Expense Categories

REVENUES

Student Income

Student income is expected to increase by 3.6% in 2015/16 to $848.9 million. Increases in student charges for next year were guided by a number of considerations: programmatic needs, the effectiveness of the financial aid program, the impact of the economy on the families of students, and Stanford's pricing position relative to peers.

Tuition and Fees – Stanford expects to generate $681.1 million in tuition and fee revenue in 2015/16, a 3.6% increase over 2014/15, consistent with the general tuition rate increase. Tuition from graduate programs will increase at a slightly higher pace than undergraduate programs, an increase of 3.9%, due to modest enrollment increases in both the School of Medicine and the Graduate School of Business. While total tuition and fees represent only 13% of Stanford's revenue, it is 51% of general funds. As such, it

KEY TERMS

General Funds: 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 GAAP, gifts and pledges that contain specific donor restrictions preventing their spending in the current fiscal year are classified as "temporarily restricted," and are not included in the Consolidated Budget for Operations. When the restrictions are released, these funds become available for use and are included as part of 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.

is a particularly important source of unrestricted revenue. In addition to supporting faculty and staff salaries and other direct academic program needs, tuition plays a crucial role in funding infrastructure, support services, and other operational activities. In 2015/16, in particular, general funds have been allocated to support significant enhancements to the undergraduate scholarship program, as described in the financial aid section that follows below.

The general tuition rate increase for 2015/16, approved by the Board of Trustees in February, is 3.5%, which results in a rate of $45,729 for undergraduates and most graduate students. As always, the rate increase was set after careful consideration of the current economic circumstances weighed against the budgetary needs. Stanford continues to be, along with its peers MIT, Harvard, Yale, and Princeton, among the lowest priced universities among the highly selective private universities that comprise the Consortium on Financing Higher Education (COFHE). The median tuition of the COFHE university cohort increased 3.9% for 2014/15, more than Stanford. Stanford's tuition currently ranks 15th out of 17, unchanged in the past three years' rankings.

The approved 3.5% tuition increase applies to the undergraduate tuition rate, the general graduate tuition rate, and the graduate tuition rates for the School of Engineering, the School of Law, the School of Medicine, and the Graduate School of Business.

Room and Board – Total room and board income is expected to be $167.8 million in 2015/16, an increase of 3.5%, consistent with the approved increase of 3.5% in the combined room and board rate. In February, the Trustees approved a combined undergraduate room and board rate increase of 3.5% for 2015/16, bringing the undergraduate rate to $14,107. The room rate will increase by 4.4%, and the 19-meal board plan will increase by only 2.2%. Stanford's combined room and board increases have been less than the COFHE university median for several years. As a result, Stanford's room and board ranking in 2014/15 dropped to 11th out of 17, and the combined rate was slightly below the COFHE median. The 2015/16 recommended rate increases will allow Residential and Dining Enterprises (R&DE) to cover labor and food cost increases and maintain Stanford's high-quality residential and dining programs. It will also provide funding to address deferred maintenance across the housing system and build a reserve to avoid future deferred maintenance issues.

Sponsored Research and Indirect Cost Recovery

University sponsored research is budgeted to increase 2.5% to $957.2 million in 2015/16. The figure includes the direct revenue from externally supported grants and contracts ($715.7 million) as well as reimbursement for indirect costs ($241.5 million) incurred by the university in support of sponsored activities.

SPONSORED RESEARCH EXPENSES (Excluding SLAC)
[IN MILLIONS OF DOLLARS]

	2014/15	2015/16	PERCENT CHANGE
Federal Directs	491.1	499.5	1.7%
Non-Federal Directs	208.6	216.2	3.6%
Total Directs	**699.7**	**715.7**	**2.3%**
Total Indirects	**234.5**	**241.5**	**3.0%**

Approximately 70% of university research funding is provided by the federal government. Overall federal funding is expected to grow at 2.7% in 2014/15, with slower growth of 1.7% in 2015/16 to a total of 499.5 million. Projects supported by the stimulus funding from the American Recovery and Reinvestment Act (ARRA) will be fully completed in 2015/16. Due to the constraints in federal discretionary budgets, the level of direct research funding has been unsteady in recent years. The university, however, is experiencing growth in 2014/15, slowly recovering from the 2% reduction in federal activity that it experienced in 2013/14. However, the rate of growth is not even across campus. The overall rebound in federal direct research is fueled by strong growth in the School of Medicine (SoM), largely driven by a 10% increase in research volume from the National Institutes of Health (NIH). The Graduate School of Education (GSE) is also seeing growth and projects over 5% increases in federal research funding in both 2014/15 and 2015/16. Federal funding in most other academic units, in contrast, continues to decline due to constrained budgets from other federal agencies such as the National Science Foundation (NSF). The School of Humanities & Sciences (H&S) and the School of Engineering estimate a slight decrease in federal research volume in 2014/15 and relatively flat federal volume in 2015/16. The Dean of Research anticipates steep decreases of 5% per year in both years.

Non-federal direct research support has been trending up at a more vigorous pace, increasing by 5.7% per year over the five years ending in 2013/14. In the past two years, the

STANFORD SHARED RESEARCH FACILITIES

Cutting edge research requires highly specialized instruments and facilities that are too expensive for individual investigators to support and that must be maintained and operated by skilled and dedicated research scientists. It is not an efficient use of space or resources for multiple faculty members to have the same type of equipment in each of their laboratories, and equipment is much more likely to be fully utilized if it is located in a shared facility. Shared facilities also provide an environment that cultivates collaboration and interdisciplinary research among scientists and students. Access to state-of-the-art instruments with reasonable user rates significantly enhances the ability to recruit and retain faculty and students and helps keep Stanford researchers competitive in the current research-funding climate.

The Vice Provost and Dean of Research (DoR) has worked to develop and enhance shared facilities across Stanford's schools, departments and independent laboratories. DoR works with faculty and school deans to prioritize instrument purchases to provide the research tools most needed by faculty and their research groups.

Careful financial management of its shared facilities is a university priority. Providing shared services at a reasonable cost is necessary because the value of these facilities diminishes when user fees are too high and they are underutilized. And in a cascading effect, fewer users cause an increase in fees for the remaining users, and new users are discouraged from taking advantage of the resource. Since the services provided by shared facilities are often charged to federally sponsored projects, the university must also follow federal costing regulations. These regulations do not allow the shared facilities to build reserves to pay for replacement equipment. While the shared facilities may include an amortized portion of the cost of equipment in their user fees, the amortized amount may increase the user fee to an untenable amount. Stanford's president, provost and deans have contributed funds towards the purchase of equipment to assist with this issue. When purchased with such funds, the cost of the equipment is largely recoverable through the university's Facilities and Administrative Cost (indirect cost) rate. Alternatively, the purchase of equipment may also be supported through federally sponsored projects specifically designed to provide access to costly equipment for research.

A major portion of a shared facility's user fee is the salary of the research scientists that operate the facilities. The research scientists not only train faculty and students to use the instruments, but also consult on research projects; advise about best practices for sample preparation, fabrication and characterization techniques and data analysis; and offer solutions to complex problems faced by students and other researchers. The research scientists also facilitate interactions among students and faculty working on similar projects, and they may consult on and help faculty write proposals for sponsored projects. The remaining costs contributing to the user fees are for service contracts, maintenance and repairs, and supplies to support the use of the shared equipment.

DoR encourages researchers from disciplines who have not typically relied on shared instruments to explore their capacities. The university and DoR have provided seed funding to allow such faculty to explore the capabilities of equipment that they may not have previously utilized. Seed grants attract new and diverse users and help to maximize the impact of investments in tools and research scientists' time.

An example of a successful and thriving shared equipment facility is the Stanford Nano Shared Facilities (SNSF). In 2013/14, SNSF served 700 internal researchers from the research groups of 130 faculty representing 30 departments. SNSF encourages faculty from the biosciences and other fields who are not traditional users, to take advantage of the SNSF tools, often as one-time or infrequent users. In addition, these instruments have been used most often to probe the characteristics of materials. Adding the study of biological or other more diverse specimens requires research scientists to find ways to adapt the instruments for different purposes that will then support an expanded user base. SNSF will continue to add new tools from its prioritized list.

The importance of shared facilities for contemporary academic research and the need to incorporate institutional support are apparent at Stanford and other research-intensive universities. These resources are also essential for the education of graduate students and postdoctoral fellows.

growth rate has been about 9-10%, largely led by over 15% growth in activities funded by foundations and the California Institute for Regenerative Medicine (CIRM), the state's stem cell research agency. The momentum continues in 2014/15, as overall year-to-date non-federal research activity has increased by 7.2%. This level of growth is reflected across all schools with the exception of the Dean of Research who estimates a 6% decline. SoM, H&S and the School of Earth, Energy, and Environmental Sciences (SE3), in fact, all budget double-digit growth in 2014/15. In 2015/16, most schools predict that non-federal growth will slow down considerably, and SoM predicts that CIRM funding will stay flat. Nonetheless, non-federal research volume will continue to outpace general inflation, growing at 3.6% to $216.2 million in 2015/16. Among academic units, the GSE and SE3 demonstrate stronger growth at 4-5%, while the Dean of Research projects that its research portfolio will further decline by 6%.

The growth of indirect cost recovery in 2015/16 will slightly outpace that of direct research (3.0% versus 2.3%) for two reasons. First, multi-year grants and contracts that were awarded before 2013/14 receive recovery amounts based on older rates two percentage points lower than the current rate. These old sponsored projects are expected to conclude in 2014/15; therefore, there will be a higher proportion of grants and contracts recovering at the higher rate in 2015/16. Second, SoM projects an 8.4% growth in indirect cost recovery in the animal care facility, which has a separate indirect cost rate.

SLAC's 2015/16 budget, which includes sponsored research and sponsored capital project activities, is projected to be $507.5 million, an increase of 12.7%. SLAC's DoE funding represents over 98 percent of SLAC's total funding. About 60% of the DoE funding will support direct research, growing at about 2% in 2015/16. The remaining $200.0 million of DoE funds are for construction costs for various capital projects. SLAC research and construction programs are discussed in more detail in Chapter 2.

Health Care Services

Health care services income is budgeted to be $964.2 million in 2015/16, a mere 0.5% increase over the projection for 2014/15, which is expected to increase by 23.2% over the actual results for 2013/14. The significant increase in 2014/15 is driven by a proposed change in the professional services agreement between the School of Medicine and Stanford Health Care and includes an assumed one-time payment of $51 million that will not recur in 2015/16. Without this one-time payment, the growth from 2014/15 to 2015/16 is projected to be 6.2%. Health care service revenue has been the fastest growing segment in the Consolidated Budget for the past ten years. As the School of Medicine's emphasis on patient care grows in recognition of the central role that care plays in both research and teaching, the clinical programs will continue to expand at a rapid pace.

Just over 90% of total health care services revenue is in the School of Medicine, the majority of which is paid by Stanford Health Care and Lucile Packard Children's Hospital, through the professional services agreement, to the clinical practices of the faculty. Clinical revenues in 2015/16 are projected to be $771.1 million, essentially the same level as the current year due to the changes in the professional services being established in 2014/15. Stanford continues to add incremental faculty and clinicians as part of its overall goal to strengthen Stanford's clinical programs. Another source of health care services revenue in the School of Medicine is the Blood Center, which is projected to increase by 3.2% to $54.7 million in 2015/16. Additionally, the School of Medicine receives $48.6 million of hospital payments for rent and use of the library and other non-clinical programs and services.

The remaining $89.8 million in health care services revenue represents payments from the hospitals to other parts of the university: $25.7 million to Business Affairs, primarily for communications services; $25.0 million to Land, Buildings and Real Estate for operations and maintenance and utilities, the Marguerite shuttle service, and parking permits; $10.1 million to the Office of Development for hospital fundraising support; $7.4 million to the Office of the General Counsel for legal services; and $17.5 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 forecast to be $315.0 million in 2015/16. This total is a slight decrease compared to the projection for 2014/15, as there are a couple of unusually large pledge payments to operations in the current year in support of Stanford Medicine and the Cyber Initiative that we do not expect to recur in 2015/16. Expendable gifts to the School of Medicine will comprise roughly 35% of the total gifts and net assets released from restrictions in 2015/16 due to the continued success of the Campaign for Stanford Medicine.

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. The distinction between expendable gifts and net assets released is that the latter are funds that were previously classified as temporarily restricted. As donor restrictions are satisfied, they become available for units to use in an equivalent manner to expendable gifts.

Investment Income

In 2015/16 investment income is expected to increase 7.6% to $1,395.3 million and to become Stanford's largest single source of revenue. This total includes endowment payout to operations as well as other investment income.

Endowment Income – Endowment payout to operations in 2015/16 is expected to be $1,152.4 million, an increase of 7.9% over 2014/15. Total endowment income includes payout from individual funds invested in the merged pool (MP) as well as specifically invested endowments (e.g., oil and mineral rights), and rental income from the Stanford Research Park and other endowed lands.

The expected payout from an individual endowment fund in 2015/16 will increase by 4.7%, while total merged pool payout is expected to increase by 6.9% due to several factors: gifts to endowment principal are expected to reach $225 million; schools and departments are expected to transfer $100 million from expendable funds to funds functioning as endowment during the current year; and $58.4 million is estimated to be added to funds functioning as endowment in the Tier I and Tier II Buffers as a result of excess expendable funds pool (EFP) earnings in 2014/15. Together these additions contribute roughly $21 million to endowment payout in 2015/16.

The 2015/16 proposed spending rate for the MP is derived from the application of the university's smoothing rule. The smoothing rule is used to dampen the impact on the budget of annual fluctuations in the market value of the endowment, thereby providing stability to budget planning. Stanford's smoothing rule uses the approved target payout rate of 5.5% to calculate a target payout per share in the current year, 2014/15. A weighted average of the target payout per share and the current year's actual payout per share results in the current year's smoothed payout per share. The payout per share for 2015/16 is derived by increasing the current year's smoothed payout per share by the long-term payout growth factor of 4.5%. Furthermore, the 2015/16 proposed payout per share is expected to provide an overall endowment payout rate that is within the range of 4.0% to 6.0%, consistent with the university's intention, as described at the December 2012 Trustee Committee on Finance.

Of the total endowment income, $239.0 million, or 20.7%, is unrestricted and is a source of general funds. The unrestricted endowment income includes payout from unrestricted merged pool funds, most of the income generated from Stanford endowed lands, and a small amount of other specifically invested endowment income. The unrestricted portion of endowment payout is expected to increase at a much faster pace (12.4%) in 2015/16 than the restricted portion, driven largely by a 22.4% projected increase in rental income generated from Stanford endowed lands. This growing portion of the unrestricted endowment income is expected to be $91.2 million in 2015/16. Unrestricted payout from the Tier I Buffer, a collection of unrestricted funds functioning as endowment that serves as a buffer against shortfalls in investment returns on Stanford's expendable reserves, will also increase faster than a typical fund due to the expected addition of $54.1 million of excess EFP returns at the end of 2014/15. With this addition, the Tier I Buffer is projected to reach $1,205.1 million and be equal to 35% of the total projected expendable funds pool balance. When the Tier I Buffer reaches 35% of the total EFP balance, additional excess EFP returns are invested in the Tier II Buffer, a restricted fund functioning as endowment controlled by the president. The EFP payout policy and its impact on the budget are described in the Other Investment Income section below.

Other Investment Income – Other investment income is expected to increase from $228.9 million in 2014/15 to $242.9 million in 2015/16, a 6.1% increase. Other investment income comprises two categories of revenue: payout to operations from the expendable funds pool (EFP) and earnings from the endowment income funds pool (EIFP), and investment income from several smaller sources as described below.

$151.7 million of payout on the EFP and $1.8 million earned on unexpended endowment payout separately invested in the EIFP are expected in 2015/16. Thousands of individual funds together form the EFP and the EIFP, which are projected to have 2015/16 year-end balances of $3.7 billion and $357.3 million, respectively. Approximately 77% of the funds in the EFP receive no payout directly to the fund. Rather, a variable payout of 0% to 5.5% on these zero-return accounts, based on the actual EFP investment returns during the prior fiscal year, is paid to general funds, both centrally and in the formula schools. Investment returns on the EFP in 2014/15 are projected to be just over 7%, resulting in the full 5.5% payout to the zero-return portion of the EFP in 2015/16. The remaining 23% of funds invested in the EFP receive an annual payout equal to a money-market return, which is forecast to be 0.5% in 2015/16. These EFP funds include the debt recycling pool, insurance and benefits reserves, student loan funds, certain plant funds, agency funds, gifts pending designation, and some restricted gifts. The Tier I and Tier II Buffers act as a backstop to maintain the value of expendable funds, which are almost entirely invested in the merged pool.

The $2.9 billion ending fund balances of the Consolidated Budget for Operations shown on page 4 include all of the EIFP but only $2.6 of the total $3.6 billion EFP, consisting of general operating funds, designated funds, expendable gifts, and non-federal sponsored research funds. The portion of the EFP not included in the Consolidated Budget comprises roughly $1.0 billion in plant and debt pool funds and $117.9 million in student loan, pending, and agency funds.

The non-EFP portion of other investment income comprises investment income distributed to support the operations of the Stanford Management Company and the real estate division of Land, Buildings and Real Estate; interest income on the Stanford Housing Assistance Center (SHAC) portfolio; and miscellaneous other investment income including rents from the Sand Hill Offices, security lending, and other interest income. This portion of other investment income is projected to increase 5.7% to $89.4 million, due largely to increases in the activities of the Stanford Management Company.

Special Program Fees and Other Income

Special program fees and other income revenue is budgeted at $514.1 million in 2015/16, an increase of 4.0% over the expected level in 2014/15. This category is a collection of revenue streams that includes executive education instruction fees; technology licensing income; academic corporate affiliates income; ticket, admission, and broadcast fees for athletic and other events; conference and symposium revenues; rental income from the Mid-Point Technology Park and the Welch Road and Stanford West Apartments; and participation fees collected by the travel/study programs. It also includes a wide range of other miscellaneous income streams throughout the university, ranging from the sales of the Stanford University Press to retail revenues in Residential & Dining Enterprises to fees for the use of various athletic facilities such as the golf driving range and summer sports camps.

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 2015/16 is budgeted to be $3,054.2 million, a 5.0% increase over the 2014/15 year-end projection of $2,909.3 million. The approved merit programs for faculty and staff and anticipated headcount growth drive this increase.

Salaries – Total salary expense, including SLAC, is expected to grow by 5.6% in 2015/16 to $2,109.6 million. Overall, projected salary expense in 2015/16 is the result of the approved salary program, incremental funding to increase the competitiveness of faculty salaries for selected schools and departments, some limited market adjustments for staff salaries as a result of the new job classification system, and total combined headcount growth of 3.0% for faculty and staff, excluding SLAC. The headcount growth assumption is based on observations of the 2014/15 actual headcount trend and analysis of historical average growth. Within this aggregate, we anticipate faculty growth to be 2.5% in 2015/16, which is slightly higher than the previous five-year average. The headcount for non-academic regular benefits-eligible staff is also projected to rise 2.5%, in line with the 2% growth in 2013/14 and the 3% growth expected in 2014/15. The academic staff group is increasing at a faster pace – 6.3% – largely due to substantial growth in clinician educators in the School of Medicine.

Similar to past years, the approved salary program takes into consideration the financial condition of the university as well as the current labor market status. Once again the annual salary program was 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 competitively within the local employment market in order to attract and retain top talent. Department level faculty salary data analysis shows that Stanford enjoys a competitive faculty salary position in most areas, but targeted allocations above the standard faculty merit pool were made in selected cases. A review of salary survey data in several local markets indicated that staff salaries are in line with market median salaries as of September 2014. Nonetheless, a small increment was added to the staff salary program to allow managers to address potential internal equity issues or market adjustments arising from the new job classification system.

Fringe Benefits – Fringe benefits expense is projected to increase 5.9% in 2015/16 to $638.2 million. This figure includes the 1.5% decrease expected in the benefits expense for SLAC employees. The remaining university fringe benefit expenses will grow by 6.6%, a rate in line with the growth in overall salary expenses.

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 benefit 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 a fifth rate to eligible salaries to recover the costs of the Tuition Grant Program (TGP), which provides undergraduate college tuition benefits for the dependents of eligible faculty and staff. The government does not allow these charges, so the TGP rate is applied only to faculty and staff salaries that are not charged to sponsored projects or academic service centers. The TGP rate will be unchanged at 1.85% in 2015/16 and adds roughly $27 million to the university's total fringe benefits expense.

The fringe benefits rates for each of the four federally negotiated rates are expected to change very little in 2015/16. Ninety-five percent of all fringe benefits expense is incurred for regular benefits-eligible employees, and the proposed rate for this group in 2015/16 is expected to increase only 0.1 rate points over the negotiated rate for 2014/15. A similar increase is projected for the fringe benefits rates for casual or temporary employees and for graduate research and teaching assistants. The rate for Postdoctoral research affiliates is expected to remain flat.

FRINGE BENEFITS RATES

	NEGOTIATED 2014/15	PROPOSED 2015/16
Regular Benefits-Eligible Employees	30.6%	30.7%
Postdoctoral Research Affiliates	24.3%	24.3%
Casual/Temporary Employees	8.8%	8.9%
Graduate RAs and TAs	5.2%	5.3%
Average Blended Rate	28.3%	28.4%

The major cost components contributing to the regular benefits-eligible rate are noted below:

- The health plans for active regular benefits-eligible employees are projected to have lower costs by 0.3 rate points compared to 2014/15, for a total budget of $173.4 million in 2015/16. The decrease is due primarily to the credit adjustments resulting from the plan performance guarantee by the Stanford Health Care Alliance (SHCA), per agreement between Stanford University and Stanford Health Care. SHCA is the new low-cost plan offered to university employees starting in calendar year 2014. Medical cost inflation and the continued high dollar claims costs in the Blue Shield Plans partially offset the adjustment.
- Retirement programs, which make up 47.0% of the total costs in the fringe pool, are expected to decrease 0.2 rate points in the areas of Social Security and the Stanford Contributory Retirement Plan.
- The combined impact of other insurance programs, including retirement medical insurance, the dental plan, and unemployment insurance, is another decrease of 0.3 rate points in 2015/16.
- The under-recovery of fringe costs in 2013/14 will increase the regular benefits-eligible rate in 2015/16 by 0.9 rate points.

The fringe rate for postdoctoral research affiliates remains flat from 2014/15. While there will be an increase in health insurance costs for this group, its impact on the rate is offset by the over-recovery of costs in previous years.

The fringe rate for casual or temporary employees will increase by 0.1 rate point due to the impact of under-recoveries in 2013/14. The rate for graduate research and teaching assistants (RAs and TAs) will increase by 0.1 rate point primarily due to the increase in Cardinal Care premium rate.

Financial Aid

Stanford expects to spend a total of $280.5 million on student financial aid for undergraduate and graduate students in 2015/16, $53.8 million of which will come from general funds. Designated and restricted funds ($209.8 million) and grants and contracts ($16.8 million) will support the remainder. Total budgeted financial aid is 6.5% above the projected total for 2014/15, as discussed below.

Undergraduate Aid – In 2015/16 Stanford students will receive $145.9 million in undergraduate need-based scholarships, of which $140.4 million will be from Stanford resources, an increase of 7.3% over the projection for 2014/15, due to several important programmatic enhancements. 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. These benchmarks have been updated for 2015/16 as follows:

- For families with total annual income below $65,000 (formerly $60,000) 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 $125,000 (formerly $100,000) and typical assets for this income range, the expected parent contribution will be low enough to ensure that all tuition charges will be covered with scholarship or grant funds.

Several other adjustments to need calculations will be implemented in 2015/16 that will result in additional scholarship for families with incomes at higher levels as well, typically up to $225,000. Students will continue to be expected to contribute a minimum of $5,000 toward their own expenses from their summer income, part-time work during the school year, and their own savings.

Overall, these enhancements will add about $5 million to the anticipated 2015/16 cost of the undergraduate financial aid program above the standard increases required to keep pace with increased tuition and room and board costs. They will also result in twenty more students on need-based aid in 2015/16.

In addition to Stanford resources, $5.5 million will come from federal grants, mostly Pell and Supplemental Educational Opportunity Grant (SEOG) grants, an amount comparable to 2014/15 but slightly less than historical levels. Cal Grants, which are not reflected in the Consolidated Budget for Operations, will provide $3.3 million, unchanged from the current year.

It is interesting to note the relative share of funding sources supporting this critical program. Five years ago, president's funds support peaked at 34%, and endowment support at $66.3 million was only 56%. Since then, endowment income has grown over 40 percent and will provide a full two-thirds of Stanford resources supporting need-based aid. Continued generous gifts to endowment for need-based aid result in annual endowment payout that outpaces standard incremental costs of the program. Without major changes in the program, the increases in endowment payout allow for decreases in support from general funds, as seen in 2014/15. The enrichments planned for 2015/16 will require a 10.9% increase in general funds, increasing its overall share to 17%.

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

Athletic scholarships, which are not need-based, will be awarded to undergraduate students in the amount of $23.8 million in 2015/16, a 9.2% increase over the projection for the current year. Starting in 2015/16 athletic scholarships will cover the full cost of attendance, not just tuition, room and board, books, and fees. These additional personal expenses include travel expenses for holiday and summer breaks.

UNDERGRADUATE NEED-BASED SCHOLARSHIP AID

[IN MILLIONS OF DOLLARS]

SOURCE OF AID	2009/10 ACTUALS	2010/11 ACTUALS	2011/12 ACTUALS	2012/13 ACTUALS	2013/14 ACTUALS	2014/15 PROJECTED	2015/16 PLAN
Department Funds and Expendable Gifts	2.1	2.2	2.5	3.0	3.2	3.4	3.8
Endowment Income	72.4	66.3	71.8	75.0	81.4	88.1	94.7
President's Funds - The Tier II Buffer	24.5	24.9	19.2	9.3			
President's Funds - The Stanford Fund	15.0	15.6	19.0	16.6	18.3	18.3	18.5
General Funds	1.5	10.4	14.3	23.6	23.6	21.1	23.4
Subtotal Stanford Funded Scholarship Aid	**115.5**	**119.4**	**126.7**	**127.4**	**126.5**	**130.8**	**140.4**
Federal Grants	6.9	7.1	6.0	5.6	5.5	5.5	5.5
Total Undergraduate Scholarship Aid	**122.4**	**126.4**	**132.7**	**133.0**	**132.0**	**136.3**	**145.9**
General Funds as a Share of Stanford Funding	1%	9%	11%	18%	19%	16%	17%
President's Funds as a Share of Stanford Funding	34%	34%	30%	20%	14%	14%	13%
Endowment Funds as a Share of Stanford Funding	63%	56%	57%	59%	64%	67%	67%
Number of Students	3,401	3,396	3,464	3,417	3,278	3,280	3,300

Graduate Aid – Stanford provides several kinds of financial support to graduate students that are expected to total $382.9 million in 2015/16. As the table below indicates, this includes the tuition component of fellowships in the amount of $110.2 million, which is reflected in the Financial Aid line of the Consolidated Budget. Financial aid for graduate students is expected to increase by 5.1%, consistent with the planned increases in tuition, more generous graduate support in selected disciplines, and some expected increase in the number of graduate students. The table also includes funding, not shown in the Financial Aid line of the budget, for stipends, tuition allowance, and RA and TA salaries of $272.7 million. Consistent with the presentation of Stanford's financial statements, tuition allowance (tuition benefits for RAs and TAs) and RA and TA salary expenses are in the Compensation line, and the stipend amount is in the Other Operating Expenses line of the Consolidated Budget for Operations on page 4. The minimum rate for TA and RA salaries and stipends will increase by 4.0% in 2015/16; tuition allowance expense is expected to increase by 4.5%, higher than the tuition rate increase due to more RAs and TAs, particularly in the School of Engineering.

2015/16 FINANCIAL AID AND OTHER GRADUATE STUDENT SUPPORT FROM STANFORD RESOURCES

[IN MILLIONS OF DOLLARS]

PROJECTED 2014/15 YEAR-END		GENERAL FUNDS	DESIGNATED AND RESTRICTED	GRANTS & CONTRACTS	TOTAL
	Student Financial Aid				
136.8	Undergraduate	23.4	117.0	6.0	146.4[1]
21.8	UG Athletic	0.0	23.8	0.0	23.8
104.9	Graduate	30.4	69.1	10.8	110.2
263.5	**Total**	**53.8**	**209.9**	**16.8**	**280.5**
	Other Graduate Support				
76.2	Stipends & Health Insurance Surcharge	20.3	37.7	21.2	79.3
73.7	Tuition Allowance	47.6	13.6	15.8	77.0
111.3	RA/TA S&B	27.9	49.1	39.3	116.3
261.3	**Total**	**95.9**	**100.4**	**76.3**	**272.7**
126.6	Postdoc Support	5.0	40.1	88.4	133.5
651.4	**Total Student Support**	**154.7**	**350.5**	**181.6**	**686.7**

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

Graduate student support is funded by all of Stanford's various fund types, with the exception of service center funds. In aggregate, unrestricted funds (general funds and designated funds) contribute around 40%, restricted funds (gifts and endowment) support about 37%, and grants and contracts supply the remaining 23%. However, the patterns of funding vary 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 rely almost exclusively on restricted funds.

While not matriculated as graduate students, Stanford also provides support to postdoctoral researchers. Roughly two-thirds of these individuals work in the School of Medicine, and two-thirds of their support is provided by sponsored research funding. Postdocs are charged a tuition fee of $125 per quarter, which is mostly covered by school funds as well as general funds. They receive a salary or a stipend and health benefits in exchange for their work. The total expense for postdocs is expected to be $133.5 million in 2015/16, an increase of 5.5% over 2014/15.

Schedule 5 in Appendix B details graduate student and postdoc support by source of funds.

Internal Debt Service

Stanford issues debt securities in the capital markets to finance capital projects and to bridge-finance the receipt of gifts for capital projects. Internal loans are advanced to projects and amortized over the useful life of the assets in equal installments. These internal loans are assessed the Budgeted Interest Rate (BIR), which is the weighted average rate of the debt issued to finance capital projects and includes bond issuance and administrative costs. The BIR is set at 4.25% for 2015/16, no change from the rate of the past two years.

Internal debt service in the Consolidated Budget is projected to be $193.0 million in 2015/16, a 5.1% decrease over 2014/15. It includes debt service incurred to finance capital projects and bridge-finance the receipt of gifts, but excludes $9.4 million of debt service for the Rosewood Hotel. It also excludes $27.2 million of annual lease payments.

The 5.1% decrease from 2014/15, or a decline of $10.4 million, is mainly due to the accelerated amortization of infrastructure assets related to the Stanford Energy Systems Innovation (SESI) project. Assets that are stranded as a result of the new central energy facility were written off in April 2015, sooner than the previously estimated December 2017. The early write-off of these assets has created a spike in the 2014/15 internal debt service, currently estimated at $203.4 million, a $20 million increase over the budget a year ago. Offsetting the decrease in 2015/16 are new debt service expenses for the School of Medicine's renovation of 1651 Page Mill Road, the 408 Panama Mall office building, and a variety of smaller capital projects, including renovations in student housing, and energy retrofit and infrastructure projects.

Other Operating Expenses

Other operating expenses include all non-salary expenditures in the Consolidated Budget except financial aid and internal debt service, which are detailed separately above. This category comprises over 30% of the total expenditures in the Consolidated Budget and is projected to rise 6.7% to over $1.6 billion in 2015/16, an increase driven by SLAC's accelerated construction program. Including SLAC construction costs, which are expensed rather than capitalized, non-salary expenses for SLAC will increase to $291.4 million in 2015/16.

The remaining categories in other operating expenses are estimated to increase by 3.2%. Certain components have seen more rapid increase than others since the economy began to rebound in 2009/10. For example, expenses for external professional and general services, travel and food, rentals and leases have had over 10% growth per year, partially because of the market inflation as the economy strengthens and partially because of increasing demand for these services to support departmental programs. In contrast, other expenses, such as those for telecommunications and utilities, capital equipment purchases, and library material acquisitions, have maintained more of an inflationary growth, due to relatively stable commodity prices and successful cost saving strategies that were implemented.

OTHER OPERATING EXPENSES

[IN MILLIONS OF DOLLARS]

MAJOR COMPONENTS	2014/15	2015/16	PERCENT CHANGE
Materials and Supplies	362.9	377.4	4.0%
SLAC Non-Salary	230.6	291.4	26.5%
Professional Services	169.0	177.4	5.0%
Stipends and Other Aid	129.5	134.1	3.6%
General Services	127.2	131.3	3.2%
Repairs and Maintenance	94.5	97.2	2.9%
Capital Equipment and Library Materials	88.5	90.4	2.1%
Telecommunications and Utilities	54.6	54.2	−0.7%
Other	256.8	261.8	2.0%
Total	**1,513.5**	**1,615.2**	**6.7%**

The largest component of this category represents expenses related to materials and supplies, at $377.4 million. These expenses have grown approximately 5% a year over the past five years. 50% of them are for the purchase of materials and supplies in laboratories and research projects. Expenses related to professional services are the third largest component. Totaling $177.4 million, they include fees paid for consulting, legal, and accounting services provided by third parties. These expenses spread widely across the university and have surged 10% a year since 2009/10.

Also included in other external expenses are stipends for graduate students and postdoctoral scholars and other non-tuition aid. They are projected at $134.1 million in 2015/16, of which 60% is for graduate student stipends that will rise 3.9%, a rate comparable to the growth in minimum stipend payments. Expenses related to general and administrative services will grow to $131.3 million. They represent a variety of external payments for non-professional services, including insurance, permits, royalties, and advertising services.

The remaining types of expenses consist of external payments for repairs and maintenance of buildings, equipment, and vehicles ($97.2 million); capital equipment and library materials purchases ($90.4 million); external payments for telecommunications and utilities commodities in university buildings ($54.2 million); services purchased from Stanford Health Care and Lucile Packard Children's Hospital ($39.4 million); and payments for rental and leases ($48.4 million), including those for both off-campus buildings and equipment. Most of them are expected to increase at a modest pace of 2-3% in 2015/16. The remainder, about $174 million, includes a diverse set of expenditures, ranging from travel expenses, to the cost of food associated with residential and dining services, to other property related expenses.

Utilities – In 2015/16, the campus will experience the first full year of operation of the new central energy facility (CEF), a component of the Stanford Energy System Innovations (SESI) project. The CEF will meet more than 90% of campus heating demands by capturing almost two-thirds of the waste heat generated by the campus cooling system to produce hot water for the heating system. To make this exchange possible, Stanford has replaced 22 miles of underground pipes and retrofitted 155 buildings to convert the campus from a steam to hot-water-based system.

The Cardinal Cogen plant, which served the campus for 30 years, was decommissioned in March 2015. Stanford is now purchasing electricity through the California energy grid and has signed an agreement with SunPower to build a 68-megawatt solar plant in the Mojave Desert (expected to come on line in late 2016), as well as install an additional 5 megawatts of solar panels on campus rooftops. The solar plant and panels will provide about 53 percent of Stanford's total electricity use. SESI's implementation and procurement of solar electricity will decrease the university's greenhouse gas (GHG) emissions by 68%, reduce water use by about 15%, and save an anticipated $420 million over 35 years.

The delivery of utilities to the campus involves three significant components: 1) externally purchased utilities, 2) debt amortization on capital expenditures, and 3) operations and maintenance in support of utility delivery. In 2015/16, campus utility costs are projected to be $104.9 million. Land, Buildings and Real Estate (LBRE) provides the majority of campus utilities ($94.3 million) through charge-out rates that are a function of the total costs of the three components noted above and units' consumption of the respective utilities. Units purchase the additional $10.6 million of utilities expense from external providers, including the City of Palo Alto, Pacific Gas & Electric, Constellation Energy, and the hospitals. Some examples are $4.5 million paid by the School of Medicine for utility costs at the Stanford Research Park and Medical Center properties; $2.4 million paid by R&DE primarily to cover the utility needs at Munger, Escondido Village, and off-campus housing units; and $1.2 million by the Office of the President and Provost for utilities of common areas and vacant units at Stanford West and Welch Road apartments. Total campus utility costs will decrease $15.2 million, or 12.6%, from 2014/15, due largely to a substantial write-off in 2014/15 of stranded utility assets associated with the old energy system. In addition, the new CEF is more efficient, lowering the university's energy and water consumption and requiring less operations and maintenance. The electricity prices are also projected to drop 19%, due to a favorable one-year contract.

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 $161.8 million in 2015/16, an increase of 5% from 2014/15.

The largest component in the O&M budget is external payments for repairs and maintenance. Totaling $97.2 million in 2015/16, it is a subset of other operating expenses, which is discussed above. However, the total O&M budget includes significant expenses that are found on other lines of the Consolidated Budget. The following four components of the O&M budget complete the picture of the university's annual expenditure on operations and maintenance.

1) $36.6 million of internal O&M services performed by the service centers within LBRE, including grounds services for the campus, approximately 50% of the building maintenance, and 100% of the infrastructure maintenance (e.g., storm drains and roads). These service center expenses are reflected in the other internal transfers line of the Consolidated Budget.

2) $15.7 million of labor costs for O&M staff hired by individual units. A significant portion, $13.2 million, resides in Residential & Dining Enterprises (R&DE) and the Department of Athletics, Physical Education and Recreation (DAPER). These two auxiliary units employ bargaining unit staff to perform custodial and maintenance services in housing units and athletic facilities. These labor expenses are captured in compensation expenses in the Consolidated Budget.

3) $7.0 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) $5.2 million of maintenance services purchased from Stanford Health Care, mostly incurred by the School of Medicine (SoM).

In addition to LBRE, several other areas oversee O&M campus-wide. R&DE provides the operations and maintenance for approximately 33% of the campus; SoM for about 11%; and DAPER for approximately 6% of the campus. The Graduate School of Business (GSB) is responsible for operations and maintenance of the Knight Management Center.

In 2015/16, the university will incur about $3 million of incremental O&M costs related to a number of new academic and administrative facilities. They include $1.2 million for the Lathrop Library, $979,000 for the McMurtry Building, $730,000 for the Science Teaching and Learning Center, $360,000 for the C.J. Huang Building, $260,000 for the 408 Panama Mall Office Building, $164,000 for the Roble Field Garage, $120,000 for the Manzanita Undergraduate Dorm, and $105,000 for the Stock Farm Child Care Facility. These costs will be partially offset by planned demolitions of Meyer Library, Cummings Art Building, and Stauffer III Building.

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 2015/16, transfers result in a net reduction from operating results of $231.4 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 includes either transfers of expendable funds to endowment principal, which create FFE, or withdrawals of FFE to support operations. In both 2014/15 and 2015/16 Stanford is projecting that a net $100.0 million will be transferred to FFE from current operating funds. This figure is informed by the units' individual budgets but has been increased by the University Budget Office to reflect the actual results over the past five years. Most often schools and departments identify excess funds to invest in FFE during the year-end process when their operating results are known, even though they may not "plan" for them during the budget process.
- Transfers to Plant: The transfers in this category are primarily for capital projects. Total transfers of $167.5 million to plant are planned for 2015/16. Roughly $130 million of this total are transfers made from central university funds and include $82.2 million in anticipated transfers to the Capital Facilities Fund (CFF) to support plant projects (see more on the CFF in Chapter 4), $20 million from the university housing reserve for home purchases as part of the faculty housing program, and $11 million for student housing renovation projects that will convert 65 beds back to program space. Additionally, Land, Buildings and Real Estate will transfer $5.7 million from the Planned Maintenance Program into planned improvement projects; the School of Medicine expects to transfer $15.8 million for seismic bracing projects and the new ChEM-H/Neuro building; and the Dean of Research will support the ChEM-H/Neuro building with a transfer of $6.4 million. The remainder is made up of smaller amounts transferred out of other units. 2015/16 transfers to plant are projected to be $33.4 million lower than the $200.9 million projected for 2014/15. The largest drivers of this decrease are in the School of Humanities & Sciences, where additional gifts for the McMurtry Art & Art History building will allow for the return of $25.8 million from plant funds back to school reserves, $14.0 million of which will be used for the ChEM-H/Neuro building.
- 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 Business Affairs IT 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 $36.1 million of internal revenue flowing into the Consolidated Budget, primarily from capital plant funds, which are outside the Consolidated Budget, into service centers and other funds within the Consolidated Budget. Additionally, this amount includes transfers of current funds to student loan funds, such as the loan forgiveness programs in Graduate School of Education and Law. It also includes any transfers from living trusts and pending funds.

GENERAL FUNDS

The general funds budget is an essential element of the Consolidated Budget because general funds can be used for any university purpose, and they support the necessary administration and infrastructure for all core activities at the university. The main sources of these funds are student tuition, indirect cost recovery from sponsored activity, unrestricted endowment income, and income from the expendable funds pool (EFP). Each school receives an allocation of general funds, which supports both academic and administrative functions. Administrative units are supported mostly by general funds.

General funds revenue in 2015/16 is projected to increase by 5.2% to $1,313.3 million, a $64.7 million increase over the expected level for 2014/15. Student income will increase 3.6%, or $23.5 million, reflecting increased tuition rates. A smaller increase, totaling $10.1 million, is projected for indirect costs, healthcare services, expendable gifts, and other income. The largest growth in general funds is a 10%, or $31.1 million, increase in investment income. This growth is due mostly to the increasing balance of the Tier I Buffer and payout from it and to higher rental income from the university's endowed lands. These items are described more fully in the earlier section on investment income.

SUMMARY OF 2015/16 BASE GENERAL FUNDS ALLOCATIONS
[IN MILLIONS OF DOLLARS]

2015/16 Projected General Funds Revenue		**1,313.3**
Allocations to Formula Units		(178.6)
Transfers Out - Facilities and Housing Reserves		(49.2)
Other Transfers		(3.1)
2015/16 Base General Funds Allocable to Non-Formula Units		**1,082.4**
2014/15 Non-Formula Base General Funds Allocations	1,014.1	
2015/16 Incremental Base General Funds Allocations		
Salary Program and Inflationary Adjustments	22.0	
New Facilities Costs	7.5	
Undergraduate Financial Aid	5.0	
Programmatic Allocations to Academic Units	6.8	
Programmatic Allocations to Administrative Units	2.1	
2015/16 Allocated Base General Funds		1,057.4
2015/16 Unallocated Surplus		24.9
2015/16 Base General Funds Allocable to Non-Formula Units		**1,082.4**

2015/16 Non-Formula General Funds

Per negotiated formula arrangements, $178.6 million of the general funds revenue will flow to the School of Medicine, the Graduate School of Business, and other formula units. Money set aside for the facilities reserve, the housing reserve, and other smaller items will result in $52.3 million of transfers out of general funds. The remaining $1,082.4 million of general funds revenue is controlled and allocated by the provost.

During the annual general funds budgeting process, each budget unit met with the Budget Group, the provost's advisory body comprising senior faculty and administrators, to 1) review the programmatic goals and financial status of the organization; 2) report on the sponsored research climate as well as shared scientific facilities that enable collaboration and enhance the university's competitiveness; 3) discuss faculty and graduate student growth and funding plans; and, 4) submit requests for incremental general funds. At the end of the process, the provost made allocation decisions based on the units' presentations, consultations with the Budget Group, and a final forecast of available general funds.

The table above shows how the $1,082.4 million in non-formula general funds will be allocated in 2015/16. The university's budgeting practice is to keep units' prior year general funds allocations in place and then make further additions or reductions based on programmatic necessity. The additional allocations made for 2015/16 are detailed below and are reflected in the pie chart on the next page:

Salary Programs and Inflationary Adjustments: $22.0 million

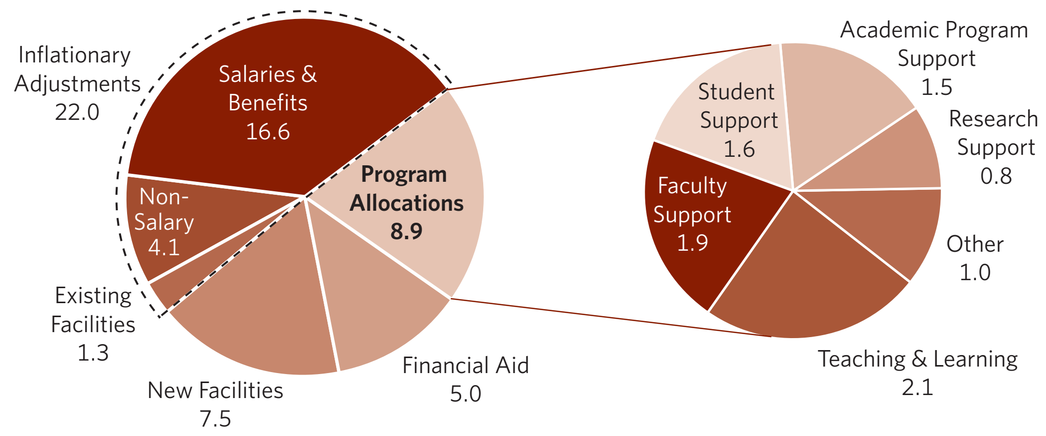
To maintain the university's competitive positions in faculty and staff salaries, $12.5 million was allocated to fund salary programs; an additional $4.1 million will be used to cover fringe benefits increases. General non-salary expenditures received an increase of 2.5% for 2015/16, with larger increases granted for graduate aid expenses, totaling $4.1 million. In addition, expense increases in support of existing facilities require $1.3 million of general funds.

New Facilities Costs: $7.5 million

Allocations to the Capital Facilities Fund (CFF), established by the Board of Trustees in 2007/08, will increase by $3.6 million as a result of increased endowment payout. The CFF is used to support major facilities projects and is described in more detail in the Capital Plan chapter. The remaining $3.9 million will support O&M on new structures, including the Lathrop Library, McMurtry Building, and the Science Teaching and Learning Center, as well as additional debt service on those and other new facilities.

2015/16 GENERAL FUNDS ADDITIONS: $43.4 MILLION

[IN MILLIONS OF DOLLARS]



Undergraduate Financial Aid: $5.0 million

Significant funds were allocated for 2015/16 to help existing and future undergraduate students better afford a Stanford education, with particular focus on students who come from low- and middle-income families. The most obvious example of enhanced financial aid is an increase in family income thresholds. For students with family incomes less than $65,000 and typical assets, the family will not be expected to contribute toward the cost of tuition or room and board (all students are expected to provide a small amount of self-support through summer or term-time earnings). Students with family incomes less than $125,000 will not be expected to contribute toward the cost of tuition. These two thresholds were raised from $60,000 and $100,000 respectively.

Teaching & Learning: $2.1 million

A number of allocations were made to fund teaching and learning initiatives, including about $1.3 million as a first step to support the newly organized Vice Provost for Teaching & Learning. Additional base general funds allocations will need to replace one-time presidential funds in support of that office over the next several years. In addition, support was provided for enhanced teaching efforts in several Engineering departments, for innovative learning technology in the new McMurtry building, and for an improved learning management system at the university.

Faculty Support: $1.9 million

The university continues to support the Faculty Development Initiative and Faculty Incentive Fund, established programs that encourage the recruitment of underrepresented minorities to the faculty, and $550,000 was allocated for these purposes. The other large allocation in this category includes $1 million to departments in three different schools to help recruit and retain faculty, as well as to address faculty salary equity concerns.

Student Support: $1.6 million

The School of Humanities and Sciences has run a pilot program over the last several years aimed at increasing diversity in its graduate student population. The school received $1 million for ongoing funding of that program and to address graduate aid shortfalls in two specific departments. In addition, students will have increased access to both mental health advisors at the Counseling and Psychological Services office and to academic advice through the addition of two academic directors in the Wilbur and Stern dorms, as a result of a combined allocation of $438,000 in those areas.

Academic Program Support: $1.5 million

Interdisciplinary institutes have long been a distinctive feature and strength of the university, and $668,000 was allocated to support the operations of two: the Precourt

Institute for Energy and the Institute for Chemistry, Engineering & Medicine for Human Health (ChEM-H). The remaining allocations in this category will support Stanford University Libraries and the Law School.

Research Support and Other Activities: $1.8 million

An additional $800,000 was allocated to provide ongoing support for the Stanford Electronic Research Administration (SeRa) system, enhance lab safety at the School of Engineering, and to improve other research-related programs and facilities. Finally, $1 million was allocated to bolster administrative initiatives across the university such as campus-wide security and IT communication.

PROJECTED STATEMENT OF ACTIVITIES

Stanford University, as a not-for-profit institution and a recipient of restricted donations, uses a fund approach to manage itself internally. Stanford also presents a Statement of Activities, prepared in accordance with accounting principles generally recognized in the United States (GAAP). The Statement of Activities summarizes all changes in net assets during the year (both operating and non-operating).

The table on the next page compares the Consolidated Budget for Operations with the projected operating results section of the Statement of Activities. Cash 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 more closely matches the way the university is managed internally. Within these 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: funds functioning as endowment, student loan funds, and plant funds. For example, a school may choose to transfer operating revenue to fund a future capital project. Similarly, a department may decide to move unspent current funds to the endowment, either to build capital for a particular purpose, or to maximize the return on those funds as a long-term investment. In both these instances, these funds are no longer available to support operations, so they decrease the Consolidated Budget for Operations operating results. These transfers, however, have no impact on the Statement of Activities 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 Statement of Activities under GAAP, certain revenue and expense reclassifications, transfers, and adjustments are necessary.

The following adjustments are made to the Consolidated Budget to align it with the GAAP basis Statement of Activities:

a) Eliminate Fund Transfers. The Consolidated Budget includes transfers of $273.9 million of current funds to other fund groups, including plant, student loans, and funds functioning as endowment. The transfers out are added back for the Statement of Activities.

b) Remove Capital Equipment purchases. The Consolidated Budget includes the projected current year's purchases of capital equipment as expense. For GAAP purposes, the cost of capital equipment is recorded as an asset on the Statement of Financial Position. As a result, $90.4 million is eliminated from Consolidated Budget expenses.

c) Record Depreciation expense for the current year's asset use. The Statement of Activities includes the current year's depreciation expense related to capital assets.

COMPARISON OF CONSOLIDATED BUDGET AND STATEMENT OF ACTIVITIES, 2015/16

Unrestricted Net Assets

[IN MILLIONS OF DOLLARS]

STATEMENT OF ACTIVITIES				FISCAL YEAR 2015/16		
2013/14 ACTUALS	2014/15 JUNE 2014 BUDGET	2014/15 PROJECTED YEAR-END		PROJECTED CONSOLIDATED BUDGET	ADJUSTMENTS	PROJECTED STATEMENT OF ACTIVITIES
			Revenues and Other Additions			
			Student Income:			
317.4	330.3	330.1	Undergraduate Programs	341.2		341.2
313.8	326.8	327.2	Graduate Programs	339.9		339.9
151.3	162.5	162.1	Room and Board	167.8		167.8
(248.8)	(255.7)	(263.5)	Student Financial Aid[e]		(280.5)	(280.5)
533.7	563.9	555.9	Total Student Income	848.9	(280.5)	568.4
			Sponsored Research Support:			
669.7	682.6	699.7	Direct Costs—University	715.7		715.7
227.2	232.5	234.5	Indirect Costs	241.5		241.5
896.8	915.1	934.2	Total University Research Support	957.2		957.2
369.3	413.2	450.5	SLAC	507.5		507.5
697.5	743.6	874.8	Health Care Services[f,k]	964.2	(81.8)	882.4
348.5	315.0	320.4	Gifts & Net Assets Released from Restrictions	315.0		315.0
			Investment Income:			
985.2	1,064.7	1,067.9	Endowment Income	1,152.4		1,152.4
181.0	158.5	182.0	Other Investment Income[g]	242.9	(50.8)	192.1
1,166.2	1,223.2	1,249.9	Total Investment Income	1,395.3	(50.8)	1,344.5
493.4	556.1	500.4	Special Program Fees and Other Income[j]	514.1	5.4	519.4
4,505.5	**4,730.1**	**4,886.1**	**Total Revenues**	**5,502.2**	**(407.7)**	**5,094.5**
			Expenses			
2,659.6	2,867.6	2,940.0	Salaries and Benefits[d,g,j]	3,054.2	29.5	3,083.7
			Financial Aid[e]	280.5	(280.5)	
77.3	76.7	87.0	Debt Service[h]	193.0	(93.1)	99.9
			Capital Equipment Expense[b]	90.4	(90.4)	
311.0	329.1	337.2	Depreciation[c]		339.3	339.3
1,243.8	1,308.9	1,372.9	Other Operating Expenses[f,g,j]	1,524.8	(54.4)	1,470.4
4,291.7	**4,582.3**	**4,737.1**	**Total Expenses**	**5,142.9**	**(149.6)**	**4,993.3**
213.8	**147.8**	**149.0**	**Revenues less Expenses**	**359.3**	**(258.1)**	**101.2**
			Transfers			
			Additions to Endowment Principal[a]	(100.0)	100.0	
			Other Transfers to Assets[a]	(173.9)	173.9	
			Net Internal Revenue/Expense[i]	42.5	(42.5)	
0.0	**0.0**	**0.0**	**Total Transfers**	**(231.4)**	**231.4**	**0.0**
213.8	**147.8**	**149.0**	**Excess of Revenues Over Expenses After Transfers**	**127.9**	**(26.7)**	**101.2**

Depreciation expense includes the depreciation of capital equipment and other capital assets, such as buildings and land improvements. This adjustment adds $339.3 million of expense to the Statement of Activities.

d) Adjust Fringe Benefit expenses. The Consolidated Budget reports the fringe benefits cost based on the fringe benefits rate charged on all salaries; the rate may include over- or under-recovery from prior years. The Statement of Activities reflects actual expenses for fringe benefits, so the over- or under-recovery amount has to be removed from Salaries and Benefits. The Statement of Activities 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. For 2015/16, GAAP expenses are expected to be higher than budgeted expenses by $59.9 million.

e) Reclassify Financial Aid. GAAP requires that the tuition 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, $280.5 million of student financial aid expense is reclassified as a reduction of student revenues in the Statement of Activities.

f) 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 university. The Consolidated Budget presents these revenues and expenses on a gross basis. This adjustment results in a reduction of $39.4 million in both Other Operating Expenses and Health Care Services revenues, with no net change to the bottom line.

g) Adjust for Internal Investment Management Expenses. Included in the Consolidated Budget revenues and expenses are $50.8 million of internal expenses of the Stanford Management Company, Real Estate Operations, and the Investment Accounting department. For GAAP purposes, these expenses, incurred as part of the generation of investment returns, are netted against investment earnings. This adjustment reduces Other Investment Income, as well as reducing $33.0 million from compensation and $17.8 million from non-compensation expenses, with no net change in the bottom line.

h) Adjust for Debt Service. The Consolidated Budget includes all internal debt service. It reflects the use of funds to amortize principal and interest. On a GAAP basis, interest expense is reported in the Statement of Activities and repayment of debt principal is reported as reductions in Notes and Bonds Payable in the Statement of Financial Position. It also includes debt service for the Rosewood Hotel, which is not included in the Consolidated Budget for Operations. Therefore, Internal Debt Service expense must be reduced by the amount of internal principal amortization. In addition, adjustments must be made to account for the difference between internal and external interest payments. These combined adjustments reduce internal debt service expense by $93.1 million.

i) Eliminate Net Internal Revenue/Expense. The Statement of Activities includes the activity of all fund types, while the Consolidated Budget does not include plant funds. Therefore, the net inflow of $42.5 million from plant funds into the Consolidated Budget for purchases of internal services is eliminated.

j) Include Stanford Sierra Camp. The Statement of Activities includes the revenues and expenses of the Sierra Camp that the Alumni Association runs as a separate limited liability corporation. $5.4 million in revenues and $5.3 million in expenses is added ($2.6 million in Salaries and Benefits and $2.7 million in Other Operating Expenses) to the Consolidated Budget for Operations.

k) 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 Statement of Activities. These include contributions by Hospital construction projects to the Stanford Infrastructure Program and performance bonuses related to Physician Service Agreements. In the Consolidated Budget, they show as health care services income. This adjustment removes $42.4 million of revenue.

In summary, the impact of these adjustments decreases the Consolidated Budget's projected $127.9 million surplus by $26.7 million, resulting in a projected surplus of $101.2 million in the Statement of Activities.

CHAPTER 2

ACADEMIC UNITS

OVERVIEW OF ACADEMIC UNITS

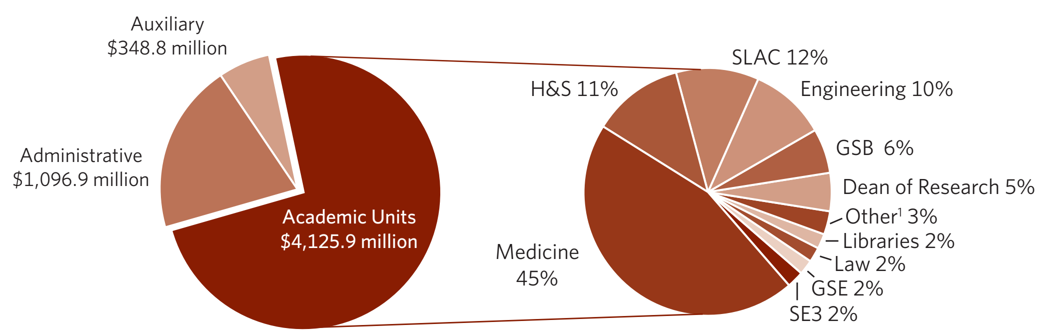
This chapter summarizes programmatic and financial activity for each academic unit. The revenue expectation in 2015/16 for these academic units comprises nearly 75% of the university total revenue. Overall, the academic units project an operating surplus of $186.4 million. After transfers to facilities and endowment, the unit budgets overall will achieve a $137.4 million surplus.

CONSOLIDATED BUDGET FOR OPERATIONS, 2015/16: ACADEMIC UNITS

[IN MILLIONS OF DOLLARS]

	TOTAL REVENUES AND TRANSFERS	TOTAL EXPENSES	RESULT OF CURRENT OPERATIONS	TRANSFERS (TO)/FROM ASSETS	CHANGE IN EXPENDABLE FUND BALANCE
Academic Units:					
Graduate School of Business	236.6	236.1	0.5	(8.0)	(7.5)
School of Earth, Energy & Environmental Sciences	70.2	66.4	3.8	(1.5)	2.3
Graduate School of Education	68.0	68.2	(0.3)	(0.6)	(0.9)
School of Engineering	409.7	395.7	14.0	(5.9)	8.1
School of Humanities and Sciences	487.0	473.3	13.8	2.2	16.0
School of Law	88.2	81.8	6.3	(6.0)	0.3
School of Medicine	2,004.9	1,854.7	150.2	(24.9)	125.3
Vice Provost and Dean of Research	215.8	217.1	(1.3)	(2.7)	(4.0)
Vice Provost for Undergraduate Education	48.6	49.6	(1.0)	0.0	(1.0)
Vice Provost for Graduate Education	8.0	10.0	(2.0)	(0.5)	(2.5)
Vice Provost for Teaching and Learning	16.6	16.6	0.0	0.0	0.0
Hoover Institution	60.7	61.1	(0.4)	(1.1)	(1.5)
Stanford University Libraries	84.3	84.5	(0.2)	0.0	(0.2)
SLAC	513.7	510.8	2.9	0.0	2.9
Total Academic Units	**4,312.2**	**4,125.9**	**186.4**	**(48.9)**	**137.4**

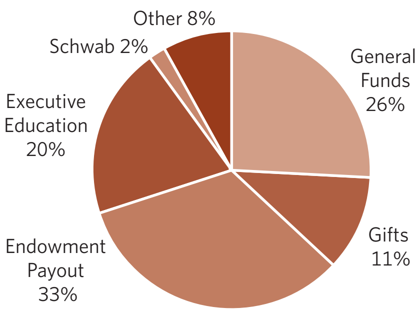
2015/16 Consolidated Expenses by Academic Units



[1] Other is Hoover, VP for Undergraduate Education, VP for Graduate Education, and VP for Teaching and Learning.

GRADUATE SCHOOL OF BUSINESS

2015/16 Consolidated Revenues
$236.6 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	208.2	221.5	236.6
Expenses			
Salaries and Benefits	116.8	129.6	140.9
Non-Salary	79.4	88.7	95.2
Total Expenses	196.1	218.3	236.1
Operating Results	**12.1**	**3.2**	**0.5**
Transfers From (to) Endowment & Other Assets	(15.7)	(10.8)	(4.0)
Transfers From (to) Plant	0.0	(4.0)	(4.0)
Surplus / (Deficit)	**(3.6)**	**(11.5)**	**(7.5)**
Beginning Fund Balances	94.9	91.4	79.8
Ending Fund Balances	91.4	79.8	72.4

PROGRAMMATIC DIRECTIONS

The Graduate School of Business (GSB) is beginning the second five years of the GSB2020 strategy, which has a two-pronged goal for 2020: to strengthen the GSB's core and to increase its reach and impact. Initiatives in support of strengthening the core include adding new electives, adding joint degrees, establishing global fellowships, expanding and integrating the Master's of Science for Experienced Managers (MSx) program, and improving data resources for research. Initiatives in support of increasing reach and impact include reinventing the classroom through distance and online education and expanding global reach.

Strengthening the Core

Change and innovation at the GSB include faculty growth, new electives, and new joint degree opportunities. There will be at least nine new faculty hires over the next three to four years, across all of the MBA academic areas, who are world-renowned business experts in emerging subdisciplines. The GSB has also added two-week compressed courses to build deep knowledge in specific business topics and has added new electives to respond to changes in the business environment and students' interests. On average, 28% of all electives are new each year. In addition, the GSB now has eight different joint and dual degree opportunities, including the latest additions, MS in Electrical Engineering/MBA and MS in Computer Science/MBA.

The GSB Stanford Africa MBA Fellowship program, intended to encourage African MBA candidates to return to their originating countries after graduation, admitted two students in the class of 2015 and eight in the class of 2016. The GSB's success in recruiting highly qualified candidates has resulted in part from making the application process more accessible by waiving application fees and providing financial aid to pay for the GMAT.

The MSx program will have 96 students in 2015/16, compared with 57 in 2009/10. Exciting changes have improved integration and synergy with the MBA program. For example, MSx students take electives and may participate in the Global Study Trips and Social Innovation Study Trips along with the MBA students. These changes, along with the addition of dedicated resources at the GSB Career Management Center, have strengthened the MSx program for years to come.

The GSB has also focused on improving data resources for faculty and PhD research. In 2014/15 it reorganized its research centers into the Centers and Initiatives for Research, Curriculum & Learning Experiences (CIRCLE). CIRCLE will help encourage faculty research, curriculum development, and interaction among academic disciplines, and will provide access to dedicated staff.

Increasing Reach and Impact

The unique international Ignite certificate program helps innovators around the world without graduate-level business training to formulate, develop, and commercialize their business ideas. After operating successfully on campus for many years, the program was launched in Bangalore, India, and has since run in Europe, China, and Latin America. Continued global expansion is planned in 2015/16, with locations including Bangalore, São Paulo, Santiago, Beijing, and London. The China Ignite program, which ran in the fall of 2014/15 at the Stanford Center at Peking University in Beijing, used the GSB's new highly immersive classroom, nicknamed the "Boardroom". The Boardroom creates the feel of an in-person teaching experience, even though the professor is projected from the matching Boardroom at the Knight Management Center. The GSB will continue to leverage its new distance-learning facilities in future programs in foreign countries. The Stanford/China Boardroom has also been useful for international events hosted by other departments and schools around the university.

In 2015/16 SEED will begin its third year operating in Ghana, delivering its Transformation Program to businesses in the West African subregion. The program challenges those businesses to assess their visions, redefine their strategies, and make ambitious changes towards exponential growth. It targets companies in sectors where growth can improve lives. Some examples of curriculum led by Stanford faculty and industry experts include accounting, marketing, operations, teamwork, leadership, and product design. SEED is positioning itself to provide the Transformation Program in other developing countries that can most benefit from its mission. Distance learning and online modules will facilitate this growth.

As part of SEED and in collaboration with Stanford's Freeman Spogli Institute, the Global Development and Poverty Initiative has made $10 million in grants available to Stanford faculty across the university who plan to take a collaborative, interdisciplinary approach to combating poverty. The grants will also support teaching and efforts to apply research findings to on-the-ground training and practical problems affecting global poverty. The initiative's final awards will be announced during 2015/16.

Executive Education launched the LEAD (Learn, Engage, Accelerate, Disrupt) Certificate with the Corporate Innovation program in late spring 2015. The curriculum will be academically rigorous, with three foundation courses and five individually selected innovation-focused electives. Cohort-level engagements outside of the courses are planned to include communications workshops, virtual lectures or panels with Stanford and Silicon Valley thought leaders, and opportunities to integrate learning with the students' work environment. The second program is planned for the fall of 2015.

CONSOLIDATED BUDGET OVERVIEW

The GSB is projecting a $500,000 net surplus from operations in 2015/16. Transfers of $4.0 million for planned capital improvements to Schwab Housing and investment of $4.0 million of unrestricted funds to endowment principal result in a net funds decrease of $7.5 million.

Revenues and transfers for 2015/16 are projected to increase by $15.1 million, or 6.8%, driven by increases in the tuition rate, student enrollment in all programs, endowment payout, and Executive Education/Global Innovations Program revenues. Endowment payout and investment income are projected to increase by 6.1% due to growth from new gifts and investment of designated funds.

Executive Education revenues are projected to increase in 2015/16 due to the new online certificate programs, as well as growth in custom programs and open enrollment. Expenses grow incrementally with revenues, primarily for additional faculty and staff, in addition to other program-related materials and services.

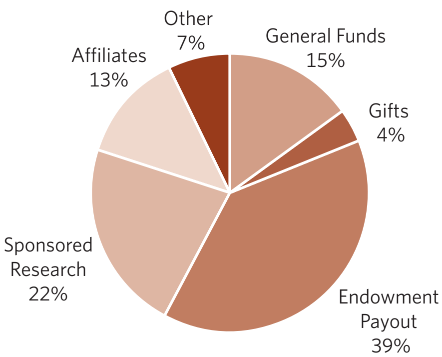
GSB expenses are projected to increase by 8.2% in 2015/16. Compensation is projected to increase by 8.7% through salary increases and growth in the number of faculty and staff. Non-compensation expenses are planned to grow by 7.4% to support the initiatives discussed above. Financial aid is planned to grow by 10.9% to support higher total cost of attendance and growth in the numbers of PhD and MBA students.

CAPITAL PLAN

The 200-bed residence, Highland Hall, will be connected to the existing 280-bed Schwab Residential Center and will enable the GSB to accommodate all first-year MBA students. The estimated cost of the project is $75.0 million. It is currently under construction and is expected to open for the 2016/17 academic year. Concurrently, $10.0 million in renovations will be made to the Schwab Residential Center over the next two years.

SCHOOL OF EARTH, ENERGY & ENVIRONMENTAL SCIENCES

2015/16 Consolidated Revenues
$70.2 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	65.3	68.7	70.2
Expenses			
Salaries and Benefits	42.7	44.8	47.4
Non-Salary	18.3	18.1	19.0
Total Expenses	60.9	62.9	66.4
Operating Results	**4.4**	**5.8**	**3.8**
Transfers From (to) Endowment & Other Assets	(0.1)	0.1	0.0
Transfers From (to) Plant	0.0	(1.0)	(1.5)
Surplus / (Deficit)	**4.2**	**4.9**	**2.3**
Beginning Fund Balances	50.0	54.2	59.1
Ending Fund Balances	54.2	59.1	61.4

PROGRAMMATIC DIRECTIONS

Newly renamed to reflect its breadth of research and teaching, the School of Earth, Energy & Environmental Sciences (SE3) is poised to increase its impact on global problem solving by building strength in four interrelated areas that are among the most important to human well-being:

- **Securing the energy future:** providing critical knowledge and leadership for the transition to a low-carbon energy future, with a near-term focus on resource and environmental optimization in the use of natural gas, oil, and geothermal resources.
- **Climate solutions:** fostering advanced work at the intersection of climate and society to understand climate change impacts and reduce unintended consequences of society's responses to climate change.
- **Reducing disaster risks:** expanding and integrating cross-disciplinary expertise across the breadth of natural hazards in order to understand, predict, and reduce the risk to vulnerable populations.
- **Food and water security:** leading research and teaching at the intersection of agriculture, water, and climate change to determine how we can manage food and water resources for a growing population in the context of climate change–related uncertainties.

In addition to these research areas, SE3 has prioritized growth and innovation in its educational programs, with particular emphasis on experiential, on-the-ground learning. The school is building the following programs:

- **A new educational curriculum, Transformative Change for Sustainability and Resilience.** This will supplement current undergraduate and graduate programs and serve as the basis for professional education and, potentially, new graduate degrees. The curriculum will prepare leaders to radically accelerate the transition to a more resilient and sustainable society.
- **Executive education** in earth, energy, and environmental sciences. Partnering with the Vice Provost for Teaching and Learning, SE3 will develop online educational opportunities for working professionals, with an initial focus on energy resources and the new sustainability and resilience curriculum.
- **Broader outreach to Stanford undergraduates.** By designing a new set of "blockbuster" introductory courses taught by its best faculty, expanding participatory and field-based learning, and exploring a variety of uses of online learning to enhance pedagogy, the school hopes to expand the number of Stanford undergraduates who understand what it means to be a citizen of planet Earth.

- **New experiential and field learning opportunities.** In addition to traditional field courses, the school offers several new field programs, such as the quarter-long Wrigley Field Program in Hawaii, that represent new approaches to engage students in focused education and deep collaboration and learning with local stakeholders. With the O'Donohue Family Stanford Educational Farm in its first year, and other research/education activities being piloted, the school expects to offer more of these opportunities in the future.

To increase its impact in both research and education, SE3 plans to add 10-15 faculty over the next decade in areas such as risk assessment, spatial analysis and planning, and cryospheric science. But the most critical factor in determining the school's future is its ability to secure a new research and teaching facility. All of its other priorities depend almost entirely on its ability to create a new Center for Earth, Energy & Environmental Sciences—an anchor in a cohesive campus that can support the school's vision and enhance its capacity for transformative learning and research.

CONSOLIDATED BUDGET OVERVIEW

SE3 projects a positive 2015/16 consolidated budget, with total revenues and transfers exceeding expenses by $2.3 million. Revenues are anticipated to reach $70.2 million, and expenses are projected to reach $66.4 million. A $1.5 million transfer to plant is also planned for remodeling of the Green Earth Sciences Building to create much-needed office space.

Total revenues are expected to grow by $1.5 million, or 2.2%, over 2014/15. This is primarily driven by the increase in restricted revenues, which will rise 4.3% to $52.9 million. A steady annual growth in endowment payout, coupled with a modest payout generated by new endowment, will contribute additional endowment income. Additional increase is anticipated in fee incomes from Industrial Affiliates Programs due to membership growth in the two recently launched programs, the Stanford Center for Induced and Triggered Seismicity and the Natural Gas Initiative.

Total expenses are expected to grow by $3.5 million, or 5.6%, over 2014/15. The school continues to invest heavily in new faculty who bring knowledge critical to expanding the school's impact in global problem solving. The effort leads to additional expenditures in compensation for faculty, researchers, and graduate students, as well as in non-salary expenses for scientific infrastructure to support new research. Staff growth is also anticipated as several schoolwide programs move into full swing. The newly completed O'Donohue Family Stanford Educational Farm and the Natural Gas Initiative are two of the notable programs.

The projected $2.3 million surplus predominantly comprises designated and expendable funds earmarked for various initiatives and faculty start-up needs. No material addition to school-controlled fund balances is expected.

CAPITAL PLAN

SE3 has an ambitious capital plan for 2015/16. Critical elements include the following:

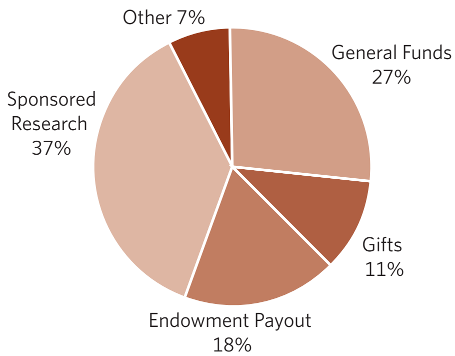
Earth, Energy & Environmental Sciences Building: The school has received approval to move ahead with conceptual design and program planning for a new 115,000-gross-square-foot building. Following its completion, the school will vacate the Mitchell Earth Sciences Building. The benchmarked cost for the new building is approximately $126 million. Of this, $40 million is planned to come from academic debt, the balance from school resources and fundraising. The target project completion date is 2019.

Green Industry Courtyard Renovation: Significant growth in the school's faculty, student, and postdoc population over the past decade has resulted in limited space to accommodate additional growth. With a new building being at least five years out, the school received approval to enclose an underutilized interior courtyard in the Green Earth Sciences Building for student and postdoc offices and meeting space. The estimated cost is $2.3 million, with funding coming from the school and the university. The estimated completion date is February 2016.

Stanford Educational Farm—Phase II: In response to enthusiastic student demand and a burgeoning program in sustainability, the school's educational farm will enter its second phase of development. This phase will include a barn, outdoor kitchen, and demonstration garden. The barn is planned to be approximately 1,600 gross square feet. The overall project cost is estimated at $2.8 million; the majority of funding will come from fundraising.

GRADUATE SCHOOL OF EDUCATION

2015/16 Consolidated Revenues
$68.0 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	64.7	65.8	68.0
Expenses			
Salaries and Benefits	40.8	44.0	47.1
Non-Salary	19.7	21.2	21.1
Total Expenses	60.5	65.2	68.2
Operating Results	**4.2**	**0.6**	**(0.3)**
Transfers From (to) Endowment & Other Assets	0.2	(0.7)	(0.6)
Transfers From (to) Plant	0.0	0.0	0.0
Surplus / (Deficit)	**4.4**	**(0.1)**	**(0.9)**
Beginning Fund Balances	37.6	42.0	41.9
Ending Fund Balances	42.0	41.9	41.1

PROGRAMMATIC DIRECTIONS

The Graduate School of Education (GSE) has been engaged in strategic planning to expand its role as a leader in scholarship, in the training of teachers and education leaders, and in the development of impact-oriented solutions to education problems. In particular, GSE faculty have spent the past half year considering the school's role with regard to three key elements of the educational system: how and where people learn, the profession of teaching, and decision-making by education leaders. Over the coming year the school will develop strategic plans for deepening its work and impact in these three areas.

Several important initiatives are already under way: expanding the GSE's impact in teaching and learning, developing leaders, and strengthening the foundation.

Expanding Impact in the Classroom

One of the greatest strengths of the GSE is the dynamic integration of rigorous scholarship with real-world educational practice. Not only does faculty research inform and transform school-based practice, but the feedback loop from practice in turn informs the research being conducted at the GSE.

To support the link between research and practice, the GSE has established over 100 partnerships with school districts across the nation. Recently, the GSE committed to raising $1.0 million a year for five years for initiatives within the San Francisco Unified School District that will enable teachers and administrators to use research more effectively to meet the needs of district students.

One example of GSE research impacting classroom learning is the Reading Like a Historian project. Its aim is to help students engage in critical analysis in the classroom through use of primary documents. The curriculum has been downloaded over 1.5 million times and is being used widely in many school districts.

Developing Leaders in Education

An essential element of the GSE's vision involves creating a continuum of training and professional development programs that spans the spectrum from preservice teachers through superintendents. These programs provide opportunities for teachers, principals, and superintendents to engage with Stanford faculty and develop a common set of tools and resources to lead change.

For preservice teacher training, the GSE has committed to making the Stanford Teacher Education Program (STEP) tuition free for five students in 2015/16. It is dedicated to growing this number in the future.

The Hollyhock Fellowship for Teachers invites over 100 early-career teachers from high-poverty high schools around the country to participate in on-campus summer sessions and a year-round online coaching program. In addition, the rollout of the Common Core standards has created a demand for focused professional development. Faculty at the GSE have developed online courses that have reached tens of thousands of teachers in California and around the globe, and they continue to work on new courses and platforms that will deliver timely and useful information.

The GSE's Stanford Educational Leadership Initiative (SELI) offers multidimensional professional development opportunities for leaders in K-12, higher education, and educational policy. SELI has partnered with the Graduate School of Business to launch the first Stanford Executive Program for Education Leaders in 2015/16. This program will help superintendents develop leadership and problem-solving management skills. SELI also offers the Principal Fellows Program, focused on building principals' capacity for skillful and strategic leadership.

Internationally, iSTEP (the International Stanford Teacher Education Program) develops curriculum and leadership skills rooted in Stanford research for teachers and education leaders across the globe.

Strengthening the Foundation

Attainment of the GSE's strategic vision necessitates a robust school community that embraces diversity, collaboration, and focused leadership.

The GSE is committed to promoting and supporting school diversity, broadly defined, and has launched a yearlong examination of the current practices and climate at the school. The GSE Diversity Committee, which includes faculty, students, and staff, has developed strategies for ensuring inclusive communities at the school.

The GSE recently completed the scoping phase for a new building, and the feasibility and programming phases will begin in 2015/16. Examination of its use of space and policies that guide that use has given the school a deeper understanding of its needs. The continued toll on the community of being spread across six buildings is felt widely, though efforts to promote collaboration and relationship building continue as a primary focus of the dean's office.

This important strategic work coincides with a significant transition in school leadership. In 2015/16 the GSE will welcome two new faculty associate deans overseeing student and faculty affairs, and anticipates the announcement of a new dean. A transition plan is in place, and throughout these shifts in leadership the school will remain committed to its long-term goals, as well as create new plans to advance its role and impact.

CONSOLIDATED BUDGET OVERVIEW

For 2015/16, the GSE projects a modest deficit of $871,000 on a budget of $68 million. The school anticipates a transfer of $1.1 million from endowment income to student loan funds in support of master's students enrolled in the STEP, as well as an offsetting $500,000 transfer in from pending funds. The deficit reflects a one-time planned use of expendable gifts and accumulated endowed income funds in support of two GSE research centers and the partnership with the San Francisco Unified School District.

The GSE has enjoyed tremendous growth in sponsored research volume over the past five years; both federal and non-federal research volumes have grown an average of 12% annually since 2008/09. Both are projected to grow nearly 8% 20 2014/15, and the school anticipates moderate growth through 2015/16.

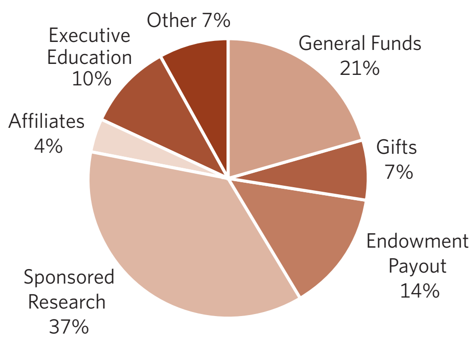
The GSE projects a significant increase in academic salaries in 2015/16 as it anticipates a large number of new faculty. The high volume of new appointments stems from several collaborations with other university departments and the desire to bring in a cohort of young scholars. The GSE expects a significant number of faculty retirements over the next several years and thus is planning for new hires to strengthen targeted academic areas.

Graduate aid continues to be a major concern at the GSE. The school recently expanded guaranteed doctoral student funding from four to five years, further straining an already tight student aid budget. With the goal of making a larger doctoral cohort financially viable, the school is committed to raising new endowed fellowships and ensuring students graduate in a timely manner.

The school is also investing in modifying its current buildings to accommodate faculty growth and the increase in research activity. A particularly important project is the renovation of underutilized student space in the Cubberley Building basement.

SCHOOL OF ENGINEERING

2015/16 Consolidated Revenues
$409.7 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	**389.5**	**396.4**	**409.7**
Expenses			
Salaries and Benefits	200.2	215.1	221.4
Non-Salary	169.6	176.0	174.3
Total Expenses	**369.7**	**391.1**	**395.7**
Operating Results	**19.8**	**5.3**	**14.0**
Transfers From (to) Endowment & Other Assets	(8.3)	(0.5)	(0.7)
Transfers From (to) Plant	0.0	(9.6)	(5.2)
Surplus / (Deficit)	**11.5**	**(4.9)**	**8.1**
Beginning Fund Balances	250.3	261.7	256.9
Ending Fund Balances	261.7	256.9	265.0

PROGRAMMATIC DIRECTIONS

The new dean of the School of Engineering (SoE), Persis S. Drell, began her appointment by consulting with the school faculty and staff in departmental groups. With the understanding that engineering fields are changing rapidly, the dean convened a task force primarily composed of midcareer faculty members who will lead the school in the future, and charged them with developing a strategic plan for the next 10-15 years. The composition and nature of this committee reflect the bottom-up culture that underlies the school's success. The SoE Future Committee will provide a preliminary report by the end of spring quarter 2015.

With an eye toward the future, the school is also addressing immediate operational needs related to teaching, shared research facilities, and research lab safety. Each of these initiatives received general funds allocations from the university in the 2015/16 budget process.

Teaching: Stanford undergraduates continue to declare engineering majors and take engineering classes outside their majors at rates that exceed historic norms. These increased enrollments manifest themselves most acutely in the Computer Science and Mechanical Engineering departments, and the school is supporting these departments with dedicated staff. A new staff member will run the course support logistics for the introductory computer science classes taken by nearly every undergraduate student and a growing number of graduate students. Three new technical staff will support the complex equipment used in the hands-on, experimental portions of undergraduate mechanical engineering courses. Faculty teaching courses with increased enrollments will also receive additional teaching assistant support.

Shared facilities: The Stanford Nanofabrication Facility (SNF) in Allen Lab was the world's leading academic cleanroom when it was dedicated in 1985. Over the last 30 years, it has slowly evolved to meet the shifting research needs of the faculty groups. Currently SNF operates as a fully shared facility managed by the SoE and supports researchers from across Stanford and Silicon Valley. The faculty are now looking forward to the next generation of fabrication, and the school is helping SNF launch its future with the development of a small addition to the cleanroom called the Fast Turnaround Facility (FTF). The FTF will be operated as a fully shared facility open to all users and will allow for a new capability in heterogeneous systems fabrication that will support rapid device prototyping for a wide variety of materials, including thin films of metals and insulators, as well as a variety of polymers.

Safety: The Task Force for Advancing the Culture of Laboratory Safety at Stanford University noted that although there are not strong concerns about lab safety across the university, there is room for improvement to ensure that the university's culture of safety matches its culture of research excellence. In partnership with Environmental Health and Safety and other schools, the SoE will try to make the safe way the path of least resistance for researchers. Currently lab safety support is a fragment of many jobs, and the school plans to consolidate those support responsibilities. A group of dedicated lab safety specialists will partner with principal investigators and provide functional expertise in all areas of lab safety.

With a new dean, a robust strategic planning initiative, and some immediate operational support in critical areas, the school is well positioned to maintain and strengthen its position at the leading edge of engineering research and education.

CONSOLIDATED BUDGET OVERVIEW

The SoE projects a 2015/16 consolidated budget with total revenue and transfers of $409.7 million, expenses of $395.7 million, and operating results of $14.0 million. After transfers the projected surplus is $8.1 million. Compared with 2014/15 year-end projections, 2015/16 revenue and expenses will grow by 3.4% and 1.2%, respectively.

Sponsored research remains the largest single component of SoE finances, at approximately 37% of revenue. Federal grants are projected to remain essentially flat in 2015/16, reflecting a continuing challenging environment for faculty applying to federal sponsors. Non-federal sponsored research is projected to increase slightly.

In non-sponsored activity, revenue and expense increases in 2015/16 are driven by increased general funds support for teaching assistants' salaries and tuition allowance, teaching support in Computer Science and Mechanical Engineering, enhancements in research lab safety, and equipment and operational support for shared fabrication labs.

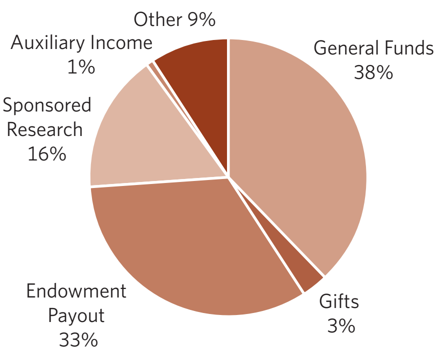
The overall school reserve position is strong, but the funds are asymmetrically distributed among faculty, departments, and school. Faculty and laboratories within departments control 87% ($99 million) of designated fund balances and 82% ($78 million) of expendable gift balances, most of which are earmarked for research. The majority of reserves controlled by the school are restricted to faculty and student support. The distribution of funds and restrictions on fund balances challenge the school in seeding new initiatives.

CAPITAL PLAN

The SoE continues construction on many shared and individual lab build-outs for new experimental faculty. In addition, the Durand programmatic study will be completed in 2014/15 and will guide a phased building renovation intended to free up additional space for the Aero/Astro and Materials Science and Engineering departments. Design will be complete in 2015/16. Programmatic work continues around the Packard Electrical Engineering and Paul Allen buildings to define the future needs of the Department of Electrical Engineering and the Stanford nanofabrication community. Lastly, the school is exploring options to accommodate growth in the Department of Computer Science that will support the ubiquitous nature of computation in an ever-growing number of fields.

SCHOOL OF HUMANITIES & SCIENCES

2015/16 Consolidated Revenues
$487.0 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	454.7	469.7	487.0
Expenses			
Salaries and Benefits	283.0	301.5	314.4
Non-Salary	152.9	153.0	158.9
Total Expenses	435.9	454.5	473.3
Operating Results	**18.8**	**15.3**	**13.8**
Transfers From (to) Endowment & Other Assets	(42.2)	(2.1)	(2.2)
Transfers From (to) Plant	0.0	(7.4)	4.4
Surplus / (Deficit)	**(23.5)**	**5.7**	**16.0**
Beginning Fund Balances	278.7	255.3	261.0
Ending Fund Balances	255.3	261.0	277.0

PROGRAMMATIC DIRECTIONS

During the past several years, the School of Humanities & Sciences (H&S) has made major investments to strengthen key areas and create a strong competitive position for the future. Faculty FTE has grown during the past two years to replace losses incurred during the recession. Recruitments include a number of senior-level experimental scientists who will fill key roles in new university institutes and initiatives. This success has come with a large price tag, and during the next four years school reserves will be used to fund a portion of startup packages. H&S will return to replacement-rate hiring in the upcoming year.

Unprecedented investments are also being made in capital projects to develop the Arts District and the new Biology/Chemistry District. The Old Chem and McMurtry Art and Art History buildings will better meet teaching needs and incorporate technology into instruction. The Bass Biology Building will support the university's biochemistry and computational research initiative, while the Chemistry, Engineering & Medicine for Human Health (ChEM-H) building will create a new environment for interschool research on chemistry and human health.

H&S has also invested in administrative systems and procedures to improve budgeting and forecasting of graduate aid resources. A number of departments had accumulated large unused balances across the past five years, but the school has recently reached a tipping point, using $2.0 million of those balances in each of the past two years, in part because external funders have reduced their graduate aid. The new trend heightens the need for greater predictability and improved long-range forecasting in the planning of graduate admissions.

Investments in these three areas have drawn down dean's office unrestricted reserves from a high of $75.0 million in 2011/12 to a projected $21.0 million in 2014/15. After excluding one-time uses, the school's finances are essentially in equilibrium. But several areas of increasing pressure are projected to negatively impact those finances over the next several years.

Federal grant and contract funding has been flat for almost a decade, creating an erosion of buying power in real terms. Funding in 2013/14 fell 9%, with reductions affecting a few natural science departments. Most fellowship and research assistant support for graduate students in the natural sciences comes from grant and contract sources. The provost and the dean's office have provided bridge funding for grant lapses and funding to replace reductions in federal training grants. Faculty and departments have also provided additional funds, but most of these are from one-time sources, which will ultimately be exhausted.

H&S is also increasing its faculty retention activity. As other top universities recover from the economic crisis, there is increasing competition for H&S's top faculty. Rapid inflation in the Bay Area housing and rental markets have made competitors' offers more attractive. For a number of years, the school has received additional funding from the provost to deal with market-based salary needs in top departments. This has improved its competitive position. H&S projects that competition for faculty will continue to grow over the next few years, increasing the draw on school resources.

CONSOLIDATED BUDGET OVERVIEW

For 2015/16, H&S projects revenues and operating transfers of $487.0 million and expenses of $473.3 million, resulting in an operating surplus of $13.8 million. After $2.2 million of net transfers from assets, the school projects a $16.0 million surplus. Revenues and operating transfers are projected to increase by $17.3 million (3.7%) and consolidated expenses by $18.8 million (4.1%). Expense increases are driven by the continued salary increases needed to retain faculty, increased teaching and equipment costs in new facilities, and incremental graduate diversity fellowships. The provost and H&S will jointly fund most of these incremental activities.

Dean's office reserves are projected to increase slightly from $21.0 million in 2014/15 to $26.5 million in 2015/16. Gifts to fund the McMurtry Art and Art History Building will allow the return of $25.8 million of temporarily invested reserves, $14.0 million of which will be used to fund construction of the new ChEM-H building. Reserve balances in this range are relatively small for a school of H&S's size and complexity. The school will focus on maintaining equilibrium going forward and look for opportunities to rebuild reserves. Department, program, and faculty balances are projected to grow by $7.1 million, with increases broadly spread across faculty-controlled funds, expendable gifts, and endowments.

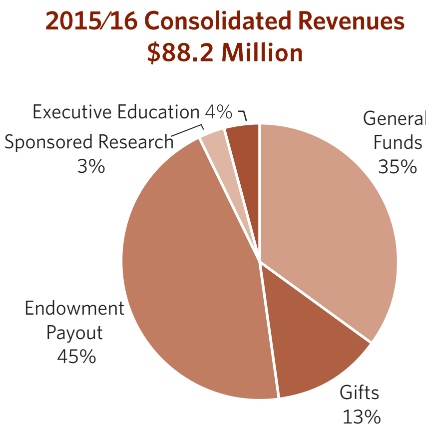
In 2014/15, federal grants are projected to decrease from prior-year levels by an additional 1.8%, while non-federal grants will rebound by 17.3%, resulting in a combined 1.1% increase. For 2015/16, the combined sponsored research volume is estimated to stay flat, with a 0.5% reduction in federal and a 3.0% increase in non-federal grants. As sponsored research activity has declined, many expenses have migrated to other funding sources. Dean's office bridge funding, department graduate savings, faculty-controlled funds, and increased Stanford Graduate Fellowship and Stanford Interdisciplinary Graduate Fellowship funding have been providing support for graduate students and faculty supplemental salaries. This long-term trend raises concerns since the replacement funding is largely from one-time and non-H&S sources.

Faculty salary expenses grew 2% more than cost rise during 2014/15 as a result of new hires and several expensive retentions. This trend is projected to continue into 2015/16. Projected retentions will require an additional $500,000 of dean's office reserve funding to maintain an adequate raise pool for all faculty.

CAPITAL PLAN

H&S continues to pursue an ambitious program of capital construction and planning. The Science Teaching and Learning Center (Old Chem) is under construction and slated for completion in summer 2016. This building will be a hub for undergraduate science, featuring classrooms, an auditorium, and teaching labs for biology and chemistry. The McMurtry Building for Art and Art History will be completed in summer 2015 and ready for the start of the 2015/16 academic year. The Bass Biology Building is in the final stages of design. The Roble Gym renovation project will be completed by spring 2016. It will house an innovative "arts gym" that will support and encourage student interaction, creativity, and expression.

SCHOOL OF LAW



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	79.5	84.1	88.2
Expenses			
Salaries and Benefits	49.9	55.6	58.4
Non-Salary	20.3	22.9	23.5
Total Expenses	70.2	78.5	81.8
Operating Results	**9.3**	**5.6**	**6.3**
Transfers From (to) Endowment & Other Assets	(6.8)	(4.7)	(5.4)
Transfers From (to) Plant	0.0	(0.6)	(0.7)
Surplus / (Deficit)	**2.5**	**0.3**	**0.3**
Beginning Fund Balances	21.6	24.1	24.5
Ending Fund Balances	24.1	24.5	24.8

PROGRAMMATIC DIRECTIONS

Stanford Law School (SLS) is in an excellent competitive position. As has been true for several years, the SLS story departs rather dramatically from the situation at many other law schools. SLS continues to enjoy a strong applicant pool, attracting excellent students who are in great demand by employers and extremely successful in securing jobs upon graduation.

SLS is in the midst of a generational shift in its faculty. In anticipation of a wave of retirements in the near future, tremendous effort has gone toward faculty renewal. Though the timing of the retirements is not necessarily easy to predict, it is imperative that the Law School be in a position to aggressively pursue individuals who would contribute greatly to its community as scholars and mentors. This year, SLS added five new people to the professoriate, and hiring efforts are continuing, with additional recruitments potentially coming to fruition over the next few months. Success in faculty recruitment (and retention) is critical to the future excellence of the school.

One of two important curricular initiatives launched over the past 18 months is the Law and Policy Lab, which enables students to learn by doing policy analysis or regulatory drafting for policymakers and others seeking to improve public policy. The lab offered more than 20 practicums in 2013/14 and is doing so again in 2014/15. Faculty and students work together on issues ranging from patent reform to wildlife trafficking to election administration and reform.

The second initiative is aimed at preparing students for the ever-evolving world of global legal practice. It has three elements: a new foundational course; intensive courses held partly in The Hague, China, and Brazil; and integration of cross-border and comparative perspectives into the regular course curriculum. Distinguished visitors with transnational knowledge are key participants in these courses.

SLS is working on other initiatives as well. Faculty conversations have focused on changes in the legal profession, the delivery of legal services, and legal education. From these sessions, two areas of potentially new curricular focus have emerged.

The first area is changes in the delivery of legal services. Technological advancement is restructuring that delivery, and SLS should help shape the way the next generation of lawyers practice their craft. The Law School has convened a group of faculty to study this area. The other is professional and leadership skills. It is important for young lawyers to develop these skills in addition to analyzing and writing about legal doctrine. They have always been important, but they are even more important today. SLS is considering additions to the curriculum aimed at further developing these skills.

CONSOLIDATED BUDGET OVERVIEW

The SLS 2015/16 consolidated budget comprises total revenues and operating transfers of $88.2 million and expenses of $81.8 million, for an operating surplus of $6.3 million. After projected transfers to assets of $6.1 million ($3.3 million to cover the SLS Loan Repayment Assistance Program [LRAP] obligations, $2.0 million reinvested into funds functioning as endowment, and $700,000 to plant funds for the Crown Quadrangle renovation), the school projects a net consolidated surplus of $300,000.

Consolidated revenue is anticipated to increase 4.8% overall. Expendable gift revenue is expected to be $11.6 million, an increase of 3%, while endowment payout income will be $39.6 million, a rise of 5%. Designated income will tick upward by almost 3%, to $4.5 million. Sponsored research continues to generate high levels of activity but is expected to level off at $2.4 million. In addition to the U.S. Department of State's $7.2 million, multiyear grant to support the Afghanistan Legal Education Project, SLS continues to receive sponsored funding for research in criminal justice, human rights, and energy policy and finance, and has secured new support for research on the Internet, society and law, and the biosciences.

In 2015/16, consolidated budget expense totals are scheduled to increase by 4.2%, to $81.8 million. The principal factor in expense growth continues to be compensation, most significantly for academic staff; growth in faculty and new curricular initiatives will also contribute. Total non-compensation expense will grow by 2%, though financial aid (exclusive of LRAP) expense is projected to rise by 7%.

SLS consolidated fund balances will increase by $300,000 to $24.8 million. Of this balance, $12.9 million is classified as noncash investments and is not available for use, and $11.9 million is categorized as available for use. The available fund balance comprises $7 million for restricted purposes, such as academic programs and centers and financial aid, and $4.9 million for unrestricted purposes.

CAPITAL PLAN

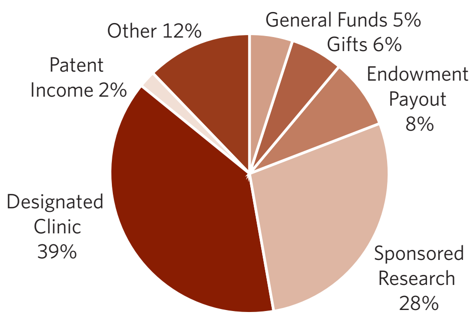
The third-floor renovation and lobby transformation of Crown Quadrangle are finished. Renovation of the remaining three floors is currently on a one-year hiatus; the disruption proved a bit overwhelming to staff and students. SLS is taking advantage of the time by reevaluating its future space needs, which may have changed since the commencement of the project. Regardless of the outcome of this reevaluation, the budget for the remaining phases will not exceed $8 million.

A recent addition to the Crown revitalization is the Law Student Lounge project. The lounge has not had any significant renovation since the building opened in the mid-1970s. The plan is to expand it outward towards Crocker Garden and to bring more light into the space. This project is estimated at $1.5 million.

SLS will continue to raise funds for the total remaining Crown Quadrangle project cost of $9.5 million. Rather than wait to meet fundraising goals, it plans to move forward with the renovation, using reserves to cover expenses until funds are raised.

SCHOOL OF MEDICINE

2015/16 Consolidated Revenues
$2,004.9 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	1,733.3	1,972.4	2,004.9
Expenses			
Salaries and Benefits	952.8	1,097.9	1,158.5
Non-Salary	650.9	683.7	696.2
Total Expenses	1,603.7	1,781.6	1,854.7
Operating Results	**129.6**	**190.7**	**150.2**
Transfers From (to) Endowment & Other Assets	(28.1)	(11.8)	(9.0)
Transfers From (to) Plant	(23.8)	(19.2)	(15.8)
Surplus / (Deficit)	**77.6**	**159.7**	**125.3**
Beginning Fund Balances	769.1	846.7	1,006.4
Ending Fund Balances	846.7	1,006.4	1,131.7

PROGRAMMATIC DIRECTIONS

Stanford Medicine, which comprises the School of Medicine, Stanford Health Care (SHC), and Lucile Packard Children's Hospital Stanford (LPCH), is defining and developing the biomedical revolution in precision health, an approach to disease prevention and treatment that takes into account individual differences in people's genes, environments, and lifestyles. By leveraging its location in Silicon Valley and the university's excellence across disciplines, it is leading this next generation of care, which is proactive, predictive, and precise, and achieves the best imaginable health outcome for every individual.

In December 2014, President Hennessy convened a Stanford Medicine working group, which includes university trustees and SHC and LPCH board members, to develop a cohesive strategic plan. The centerpiece of this plan is to develop and achieve preeminence in precision health by capitalizing on interactions between and among the missions of education, research, and clinical care. Since that time, Stanford Medicine has been working diligently to realize this vision and to meet the other strategic objectives established by the working group.

One of these strategic objectives is preparing students and trainees to be leaders in their fields. The school remains one of the most competitive MD programs in the country, accepting about 2% of applicants. It continues to transform its MD curriculum to meet the needs of a new generation of learners expected to master an ever-expanding amount of biomedical knowledge and practice in an evolving health care system.

A record number of admitted students accepted their offers to the school's PhD program in 2014. This PhD cohort is the school's largest and includes enrollees in two new programs: Health Policy, and Epidemiology and Clinical Research. Thanks to $9.0 million in funds from the Campaign for Stanford Medicine, PhD students now have their first four years of training covered, and thus are no longer dependent on faculty's National Institutes of Health (NIH) grant funding.

Despite the decrease in NIH budgets, which has hampered biomedical research over the last decade, the research-oriented faculty have consistently achieved higher annual funding per principal investigator than those at peer institutions, and the school's overall research funding has remained strong compared to that of peer institutions. Seven of the school's faculty members are Nobel laureates, with three of them receiving the prize in the last three years.

The school is investing substantially in clinical research to bring it to a level of excellence comparable to that of its basic research. Stanford Medicine's Transforming Cancer Care initiative is redesigning cancer care with an interdisciplinary, patient-centered approach that better meets the needs of cancer patients. A multidisciplinary care coordinator is at the center of the patient's care team, acting as the patient's champion and coordinating all aspects of treatment and care. This model leads to improved coordination among the various teams of care providers and an organization culture shift. Once the model is fully established, its success will be shared broadly and replicated in other areas of strategic focus for clinical care.

CONSOLIDATED BUDGET OVERVIEW

The school projects total revenues and transfers of $2,004.9 million in 2015/16 and expenses of $1,854.7 million, yielding an operating surplus of $150.2 million. Transfers of $24.8 million to endowment principal and plan funds result in a net change in current funds of $125.3 million. The main contributors to the increase in revenues are the changes to the professional services agreement currently in discussion with SHC and projected gifts generated from the school's development campaign.

Revenue

Revenues and transfers are projected to increase 1.6%, or $32.5 million, from $1,972.4 million in 2014/15 to $2,004.9 million in 2015/16. Key drivers include the following:

- The professional services agreement between the school and SHC is slated to change, with the hospital reimbursing the school's services at a higher national benchmarked rate, including a one-time revenue payment in 2014/15. Removing the impact of this one-time payment, health care Services revenues will increase about 7.5% from 2014/15 to 2015/16. Also driving this increase is growth in volume from clinical programs, generated by incremental faculty and clinicians, who also drive professional services revenue increases from both SHC and LPCH.
- Both federal and non-federal sponsored research funding continue to grow. With incremental faculty contributing toward this growth, research funding is expected to increase at an inflationary rate in 2015/16.
- The anticipated success of the development campaign will drive growth of 3.1% in gift revenue and 5.9% in endowment income.

Expense

Expenses are projected to increase 4.1%, or $73.2 million, from $1,781.6 million in 2014/15 to $1,854.7 million in 2015/16. Major increases stem from:

- Projected net recruitment of 41 faculty, 25 in the medical center line, 13 in the university tenure line, and 3 in the nontenure line, as well as an increase of 70 clinician educators.
- An anticipated 5.5% increase in compensation for faculty, clinicians, and staff. The main drivers are the annual merit program, incremental recruitment, and clinical activity growth. The year-over-year increase from 2014/15 would be higher if it were not for projected one-time bonuses in 2014/15 due to the change in the professional services agreement with SHC.

Transfers to Plant, Endowment, and Other Assets

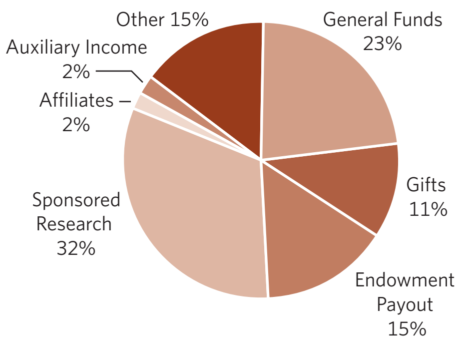
The projected transfers to plant of $15.8 million primarily include $5.0 million for seismic bracing work, and $4.2 million for the ChEM-H (Chemistry, Engineering & Medicine for Human Health) and Stanford Neurosciences Institute (Neuro) building. Departments project an additional $9.0 million transfer to funds functioning as endowment (FFE).

CAPITAL PLAN

Started in February 2015, renovation work on the 72,800-gross-square-foot, $43.3 million 1651 Page Mill Road facility will be completed in March 2016. Renovation of 855 California Avenue will create a 26,000-gross-square-foot Current Good Manufacturing Practice facility under strict environmental control to assure manufacturing of sterile, potent, and uncontaminated products for human therapies. The work began in April 2015 and will be completed in November 2015 at an estimated cost of $9.9 million, jointly funded by LPCH and the school. Seismic bracing work will begin on the Alway Building in spring 2016 and is expected to be completed in the winter. The school will also begin initial planning on two new academic and research buildings, one located on the main campus and the second in the City of Palo Alto.

VICE PROVOST AND DEAN OF RESEARCH

2015/16 Consolidated Revenues
$215.8 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	**215.9**	**228.7**	**215.8**
Expenses			
Salaries and Benefits	111.8	119.2	118.2
Non-Salary	92.4	96.4	98.9
Total Expenses	**204.2**	**215.6**	**217.1**
Operating Results	**11.8**	**13.1**	**(1.3)**
Transfers From (to) Endowment & Other Assets	10.3	7.1	3.8
Transfers From (to) Plant	0.0	(3.4)	(6.4)
Surplus / (Deficit)	**22.0**	**16.8**	**(4.0)**
Beginning Fund Balances	141.6	163.6	180.4
Ending Fund Balances	163.6	180.4	176.4

The Office of the Vice Provost and Dean of Research (DoR) is responsible for research policies and facilitation of faculty research and scholarship across all of the schools and departments. It has oversight of 18 independent laboratories, institutes, and centers and manages the compliance and administrative offices that support research. DoR also oversees major shared facilities that support a broad range of research and scholarly activities.

PROGRAMMATIC DIRECTIONS

In supporting faculty research and scholarship and the university research and education mission, DoR focuses on four major areas: creating opportunities for interdisciplinary research through the independent laboratories, institutes, and centers; providing state-of-the-art shared facilities; minimizing compliance and administrative burdens for faculty and staff; and mitigating research-related safety risks. Research and scholarship in the independent laboratories, institutes, and centers complement discipline-based research. The independent entities facilitate collaborations among faculty with differing areas of expertise and focus particularly on complex problems that require interdisciplinary approaches. In managing specialized shared facilities, DoR provides an infrastructure that is essential for state-of-the-art research and faculty competitiveness for extramural research awards. DoR will focus on the following programs in 2015/16:

Stanford Cyber Initiative: The Stanford Cyber Initiative (SCI) was launched in December 2014 to create a policy framework for cyber issues. It will draw on Stanford's experience with multidisciplinary, university-wide initiatives to build programs around the core themes of trustworthiness, governance, and the emergence of unexpected impacts of technological change over time. SCI will apply broad campus expertise to the diverse challenges and opportunities that cybersecurity, cyberspace, and networked information pose for humanity.

Chemistry, Engineering & Medicine for Human Health (ChEM-H) Institute: Founded in 2012, ChEM-H has had rapid and remarkable success in engaging with faculty from the schools of Engineering, Humanities & Sciences, and Medicine and in recruiting high-caliber senior and junior faculty. ChEM-H has funded 13 seed grants and has launched a graduate student fellowship program. In addition to creating the medicinal chemistry knowledge center, which helps biologists and clinicians at Stanford to incorporate medicinal chemistry into their ongoing and future research endeavors, ChEM-H is launching a structural biology knowledge center, which will utilize tools at SLAC National Accelerator Laboratory.

Stanford Neurosciences Institute (SNI): SNI was started in 2014. In addition to its seed grants and fellowship programs, the institute has successfully launched Big Ideas to foster interdisciplinary collaborations spanning Stanford schools and departments and to tackle fundamental problems in neuroscience. The initiatives fall broadly into three categories: NeuroDiscovery, probing the inner workings of the brain; NeuroEngineering, creating innovative new technologies for interfacing with the brain; and NeuroHealth, translating neuroscience discoveries into treatments.

Office of International Affairs (OIA): Created in 2011, OIA helps faculty, students, and staff maximize global opportunities for global research and teaching. OIA works with faculty, departments, and schools to identify resources necessary to support these endeavors. It provides seed grants to help address challenges identified by faculty as well as to develop policies and guidelines that help mitigate risks associated with international activities.

Shared Facilities: Cutting-edge research now requires highly specialized instruments and facilities that are too expensive for individual investigators to support and must be maintained by skilled, dedicated research scientists. These facilities are essential to preserving faculty competitiveness in the current research funding climate. DoR continues to expand the basic mass spectrometry services to support the critical field of proteomics. In addition, DoR will continue to encourage researchers from disciplines who have not typically relied on the shared instruments to explore potential applications to their research questions. DoR will provide seed funding for proof-of-concept experiments, using the Stanford Mass Spectrometry Center, Stanford Nanosciences Shared Facility, and Center for Cognitive and Neurobiological Imaging, that can enhance faculty competitiveness for extramural grants.

Culture of Safety: In the academic environment, risk presents itself on many levels, including loss of life and personal safety, damage or theft of property, legal liability, and loss of reputation. The University Committee on Health and Safety established a task force of senior faculty that examined how Stanford is managing safety issues and identified opportunities for improvement and ways to instill a culture of safety broadly across all university units. Academic research laboratories are the first area of focus in a three-to-five-year initiative to implement these recommendations.

CONSOLIDATED BUDGET OVERVIEW

The 2015/16 consolidated budget for DoR shows total revenues of $215.8 million and expenses of $217.1 million, resulting in a net operating deficit of $1.3 million. After estimated transfers of $2.6 million to endowment, plant, and other assets, DoR projects a planned deficit of $4.0 million.

Total revenues in 2015/16 are projected to decrease by $12.9 million, or 5.6%, from 2014/15. Unexpected gift revenue of $15.0 million for SCI in 2014/15 is not expected to recur in 2015/16. In addition, sponsored research is expected to decrease by $5.2 million, or 6%, from 2014/15. This is offset by an increase in endowment income due to fulfillment of a pledge to the Precourt Institute for Energy in 2014/15. Operating transfers are expected to increase $1.5 million, or 9%, from 2014/15, primarily due to one-time funding for new initiatives.

Total expenses in 2015/16 are projected to increase by $1.4 million, or 1.0%, primarily due to the growth of ChEM-H, SNI, and SCI. Transfers from endowments are projected to be $3.8 million, or 46%, lower than in 2014/15 as independent laboratories, institutes, and centers have spent down term endowments. Transfers to plant are projected to be $6.4 million, almost double the amount in 2014/15 due to DoR support for the ChEM-H/SNI building.

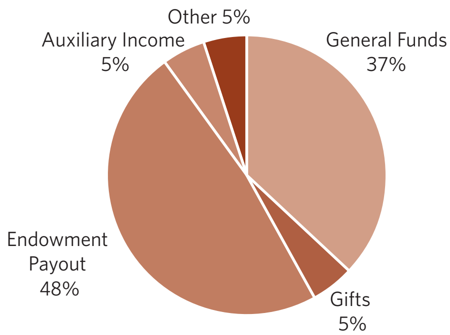
Faculty and the independent labs, institutes, and centers control 83% of fund balances. Endowment and expendable funds are mainly focused on multiyear, multidisciplinary research programs. A percentage of endowment and expendable funds are earmarked for research and are expected to provide bridge funds for research programs if sponsored research funding continues to decline.

CAPITAL PLAN

The ChEM-H/SNI building will facilitate easier and more frequent collaborations within a single physical space. It will provide unique facilities for these two intellectual communities to foster great ideas and innovative scholars that transcend individual schools and departments. The building will include wet, dry, and computational laboratory space; research support and shared equipment space; a vivarium; offices for faculty, postdocs, and students; and collaborative common spaces that facilitate formal and informal teaching and learning among scholars from diverse backgrounds. The budget is $240.4 million for 235,000 gross square feet. The west campus site is currently occupied by the Cardinal Cogeneration Plant, which was recently decommissioned. The Board of Trustees approved the concept and site designs in September 2014. The building is now in the schematic design phase.

VICE PROVOST FOR UNDERGRADUATE EDUCATION

2015/16 Consolidated Revenues
$62.8 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	57.1	59.0	62.8
Expenses			
Salaries and Benefits	33.4	35.5	37.6
Non-Salary	22.5	24.4	26.2
Total Expenses	55.9	59.9	63.8
Operating Results	**1.2**	**(0.9)**	**(1.0)**
Transfers From (to) Endowment & Other Assets	(1.1)	0.0	0.0
Transfers From (to) Plant	0.0	(1.0)	0.0
Surplus / (Deficit)	**0.1**	**(2.0)**	**(1.0)**
Beginning Fund Balances	20.1	20.2	18.2
Ending Fund Balances	20.2	18.2	17.2

Revenues and expenses in this chart and table include $14.2 million of activity that is accounted for as operating transfers in Appendix A.

PROGRAMMATIC DIRECTIONS

In recent years, the Office of the Vice Provost for Undergraduate Education (VPUE) has launched new initiatives, implemented Senate-mandated programs, developed a new unit focused on residential programming, and strengthened undergraduate education partnerships across campus.

Last year VPUE worked with Residential Education to examine implementation of the Study of Undergraduate Education at Stanford (SUES) recommendations for increased academic programming in residences and greater faculty influence on residential life. A working group recommended establishing a more formal academic presence in the residential space. As a result, VPUE formed the Residential Programs unit. This comprises both long-standing and pilot cocurricular or residential programs focused on academic communities or cohorts transcending the classroom: Freshman and Sophomore College, Leadership Intensive, the Leland Scholars Program (LSP), and three Integrated Learning Environments (ILEs)—Structured Liberal Education (SLE), Immersion in the Arts: Living in Culture (ITALIC), and Science in the Making ILE (SIMILE). The new unit seeks to-

- leverage synergies between residential expertise in the Office of the Vice Provost for Student Affairs and curricular expertise in VPUE;
- enhance faculty experience in the residences;
- provide a central faculty voice on residential issues related to community educational experiences; and
- clarify ownership and advocacy for residentially based educational experiences within VPUE.

One risk associated with piloting innovative programs is the uncertainty of matching intended outcomes with student interest. The initial interest in SIMILE was high, with twice as many freshmen applying as the program could accommodate. In the first year, however, the student cohort shrank each term, ending with one-third of the original participants. Despite rebranding and academic program adjustment, the marked attrition continued this year. VPUE faculty leadership consulted with program faculty and determined that the ILE format was not a good fit for the material. As a result, SIMILE's pilot will not continue in 2015/16.

In contrast, faculty are enthusiastic about the ITALIC program, and students articulate strongly positive outcomes and sustained interest. Indeed, half of the 2013/14 cohort drew into Kimball for another arts experience in their sophomore year. LSP also shows promising results, including greater academic resilience in the chemistry core sequence; greater intellectual confidence, exhibited by increased Introductory Seminar and summer program participation; and enduring cohort cohesiveness. As the first cohort graduates in 2016, VPUE expects to gain a more holistic understanding of LSP's academic impact and will explore more permanent funding solutions based on that assessment.

The implementation of the Ways of Thinking/Ways of Doing breadth requirement is in full swing. While 1,591 courses are certified for the eight Ways, VPUE's main focus has been on ensuring capacity in the Creative Expression Way through departmental support, including an additional $100,000 in 2014/15. VPUE also continues to refine its support for large introductory courses foundational to undergraduate education. Introductory computer science courses such as the CS106 series have become ubiquitous, with over 90% of undergraduates enrolling. In 2015/16, VPUE will reallocate funds to increase the number of Computer Science section leaders and fund a partial lecturer in collaboration with the School of Engineering. VPUE partnered with Biology to develop BioSolveIt, a companion problem-solving seminar for the biology core. Finally, VPUE supports a capstone director in Computer Science for the new interdisciplinary joint major, CS+X.

VPUE is excited to offer the Stanford in New York program, which will begin in autumn quarter 2015 with 20 students selected from 50 applicants. The program initially focuses on the arts and urban studies. The students will take courses using the city as their text, work in internships in the thematic areas, and experience living and learning in the urban environment of New York City. The three-year pilot received president's funds totaling $2.4 million, with VPUE providing the remaining $1.1 million. Eventually the program will run three quarters, with varying focus areas each quarter.

In 2014/15, the Bing Overseas Studies Programs (BOSP) opened a quarter-length program in Istanbul, expanded in Cape Town, and reopened in Oxford following its facility renovation. BOSP's goal for 2015/16 remains to increase student participation overseas from 50% to over 60%. The faculty director is seeking innovative programs to expand that participation. One success has been summer overseas seminars, which have generated high student interest, especially from athletes and STEM majors.

The Directors of Community Engaged Learning program grew in 2014/15 to include a director with an engineering concentration. The program is a key component in a growing partnership with the Haas Center and the new Cardinal Service Initiative to foster experiential service-based learning throughout the university.

Several pilot programs supporting SUES goals have been funded with a combination of university funds and gift funds. VPUE plans to evaluate these initiatives based on the following educational objectives, learning outcomes, and fiscal reasonableness, including per student costs. VPUE will pursue development opportunities and base funding to sustain successful programs.

CONSOLIDATED BUDGET OVERVIEW

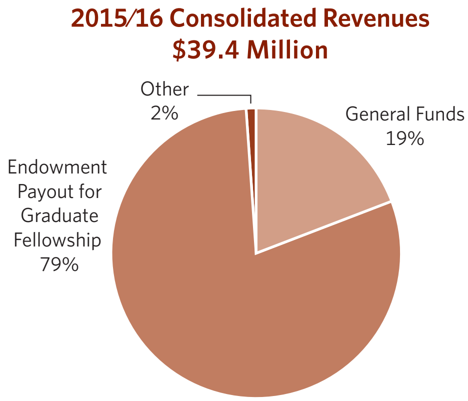
The 2015/16 consolidated budget shows total revenues and operating transfers of $62.8 million and expenses of $63.8 million, yielding an operating deficit of $1.0 million. The deficit results mainly from costs related to expansion of the overseas seminar program ($215,000), Sophomore College ($172,000) and Introductory Seminars ($160,000). Two new academic advising directors, one funded with general funds, the other by VPUE, will be hired to address increased demand for advising. They will be located in the freshman-heavy Wilbur and Stern dormitories.

Programmatic expenses of roughly $2.8 million related to the Center for Teaching and Learning were transferred from VPUE to the new Vice Provost for Teaching and Learning (VPTL), and general funds supporting these expenses were transferred as well. The consolidated budget history is adjusted accordingly.

CAPITAL PLAN

VPUE completed the Oxford center renovation and a Sweet Hall renovation in 2014/15. The Sweet Hall garden-level renovation upgraded global teleconferencing capability, opened a large configurable meeting space, and generated office space for BOSP as well as the new Residential Programs unit. The Oxford center renovation incurred unbudgeted expenses for value-added tax and construction delays that added $1.2 million in costs, which were covered by VPUE fund balances. The program was only offline for fall quarter, 2014/15; the 45 students that arrived in winter quarter spent the first two weeks in a hotel nearby before being welcomed into the remodeled living and communal spaces. VPUE has no capital projects planned for 2015/16.

VICE PROVOST FOR GRADUATE EDUCATION



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	43.7	37.4	39.4
Expenses			
Salaries and Benefits	2.6	3.3	3.7
Graduate Student Support	32.1	33.8	35.6
Non-Salary	1.0	2.1	2.1
Total Expenses	35.7	39.2	41.4
Operating Results	**8.0**	**(1.8)**	**(2.0)**
Transfers From (to) Endowment & Other Assets	(1.4)	(1.8)	(0.5)
Transfers From (to) Plant	0.0	0.0	0.0
Surplus / (Deficit)	**6.6**	**(3.6)**	**(2.5)**
Beginning Fund Balances	49.7	56.3	52.7
Ending Fund Balances	56.3	52.7	50.2

Revenues and expenses in this chart and table include $31.4 million of activity that is accounted for as operating transfers in Appendix A.

PROGRAMMATIC DIRECTIONS

The Vice Provost for Graduate Education (VPGE) works collaboratively across the university's seven schools, to enhance the quality of graduate education for 9,100 students pursuing degrees in 90 degree programs and departments. VPGE addresses several critical university priorities, including administering university-wide fellowships, fostering innovation by providing opportunities for students' professional development and support for innovative initiatives within graduate programs, advancing diversity, and facilitating interdisciplinarity. VPGE programs and fellowships reach roughly 3,000 graduate students (over 600 on fellowships) annually.

Achieving growth and stability in funding sources for graduate students remains a major goal across the university. Total funds for graduate student financial support reached a high of $348 million in 2013/14, with 25% from external grants and contracts (down from 27% in 2012/13), 36% from restricted funds, 7% from designated funds, and 32% from general and school funds (up from 30% in 2012/13). VPGE contributes about 10% of this total, mostly as doctoral fellowships (full-tuition and stipend) in six university-wide programs. The largest is the Stanford Graduate Fellowships (SGF) Program in Science and Engineering, used to attract the best students in the world to doctoral study in these fields at Stanford. The Stanford Interdisciplinary Graduate Fellowships (SIGFs) have gained momentum. The fundraising goal for SIGFs is 100 fellowships, and 67 have been raised to date.

This year VPGE focused on expanding resources for the Graduate Professional Development (GPD) Framework, including incremental initiatives in leadership and preparing for faculty careers. The GPD framework, now enhanced as an interactive tool, is designed to assist graduate students in reflecting on their skills, determining priorities for development, and locating resources within the university. This framework has six domains: specialized content knowledge and skills; teaching; communication; leadership and management; career development; and personal development. The programs in the GPD portfolio now cover a wider array of topics (time management, self-management, presentation skills, ethics, resilience) in different formats, often in collaboration with the Center for Teaching and Learning and the Career Services Centers.

VPGE is also developing resources and piloting programs for students to explore and better prepare for academic careers.

- Online resources help students learn about the nature of faculty roles and rewards, institutional types, and how to be competitive in the job market.

- Jumpstart Your Academic Job Search, a new Stanford Graduate Summer Institute course, instructs graduate students on how to prepare applications and job talks as well as how to negotiate offers.
- Monthly Academic Chats focus on different aspects of faculty roles, academic life, and the academic workplace in different types of colleges and universities. About 500 students attend the chats each year. Some sessions have been video-recorded, and more will be recorded next year.
- The Preparing Future Professors: Stanford–San Jose State University Shadowing Program gives doctoral students the opportunity to shadow a faculty mentor in their academic field. A practicum facilitates reflection and synthesis.
- VPGE disseminates data from a new study on Stanford PhD alumni employment, so that students and faculty can see where alumni from their academic fields found initial employment within one year of graduating as well as their current employment (as of summer 2013).

VPGE also provides funds for initiatives that diversify the academic pipeline. Supplementing activities in Stanford's seven schools, these initiatives develop university-wide programs for recruiting, enhancing the educational experience of current students, and cultivating interest in academic careers to diversify the professoriate nationally.

VPGE has further expanded the Enhancing Diversity in Graduate Education (EDGE) Fellowship Program to include Graduate School of Business and Humanities & Sciences humanities and arts doctoral students. EDGE provides mentoring and professional development resources to support the academic success of doctoral students in their first two years, with ongoing access to research funds in subsequent years. EDGE workshops expand the fellows' academic networks, mitigate isolation, and convey effective strategies for handling typical challenges encountered early in doctoral programs. Fellows are mentored by advanced PhD students (thereby concurrently helping them develop mentoring skills) as well as by faculty. Gradual scaling up of the EDGE program has been met with enthusiasm by faculty, students, and staff across the university.

Committed to extending its reach with programs of the highest quality that use students' time efficiently, VPGE launches new pilots to address priority unmet needs. The office communicates widely about these innovative opportunities and resources as well as engaging students through its website resources, a monthly newsletter, and various social media. Faculty, students, and staff across the seven schools provide ongoing input about needs and program effectiveness.

CONSOLIDATED BUDGET OVERVIEW

Endowment payout, general funds, and other transfers are expected to provide $39.4 million in revenue for VPGE in 2015/16. Total expenses will be $41.4 million, up from $39.2 million projected for 2014/15. After asset transfers of $500,000, a deficit of $2.5 million is expected. Fund balances will be used to cover the deficit, which will decrease the consolidated fund balance to $50.2 million at year-end.

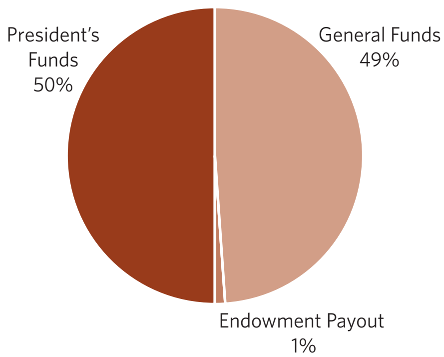
The $41.4 million consolidated expense budget comprises 86% direct graduate student support (through several fellowship programs), 9% compensation and benefits, and 5% programmatic non-compensation expenses. VPGE's graduate student funding will increase from $33.8 million in 2014/15 to $35.6 million in 2015/16, steadily drawing down the endowment fund balance. Compensation and non-compensation expenses will increase slightly to $3.7 million and $2.1 million, respectively.

Of the $35.6 million in direct graduate student funding, most ($32 million) will come from endowment and be allocated to department operating budgets; this includes funding for SGF, the largest university-wide fellowship program. The rest will come directly from general funds ($3.2 million) and expendable funds ($400,000).

In 2013/14, an unexpected, one-time transfer of $9 million from Office of Technology Licensing patent income increased the consolidated fund balance to $56.3 million from $49.7 million. Planning is under way to determine how to best use the funds to meet the university's most pressing priorities in graduate education. By the end of 2015/16, increased expenditures in graduate student funding, compensation, and programmatic non-compensation expenses are expected to reduce the consolidated fund balance to $50.2 million. VPGE's funding to graduate students and operational expenses will continue to increase as both ongoing programs and new pilot programs are selectively expanded to reach more graduate students in new ways. Cumulatively, the planned increases in direct graduate student funding as well as programs to advance diversity and professional development will steadily decrease the consolidated fund balance.

VICE PROVOST FOR TEACHING AND LEARNING

2015/16 Consolidated Revenues
$16.6 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	7.7	14.3	16.6
Expenses			
Salaries and Benefits	6.5	13.0	14.6
Non-Salary	1.1	1.6	2.0
Total Expenses	7.6	14.6	16.6
Operating Results	**0.1**	**(0.3)**	**0.0**
Transfers From (to) Endowment & Other Assets	0.0	0.0	0.0
Transfers From (to) Plant	0.0	0.0	0.0
Surplus / (Deficit)	**0.1**	**(0.3)**	**0.0**
Beginning Fund Balances	0.2	0.3	0.0
Ending Fund Balances	0.3	0.0	0.0

The Office of the Vice Provost for Teaching and Learning (VPTL) was created to promote and advance the vibrant intellectual endeavor of teaching and learning at Stanford as a pursuit as central as, and interdependent with, the university's research mission.

PROGRAMMATIC DIRECTIONS

VPTL will support its mission through four near-term strategic priorities in 2015/16:

- Develop a strategic direction that will invigorate teaching and learning on campus;
- Continue to deliver existing teaching and learning commitments and services, including grant programs, course development assistance, and technology innovation, in a way that maintains the quality of outcomes and client relationships;
- Develop targeted innovative teaching and learning projects with faculty and instructors to improve and enhance student learning on campus and provide opportunities for interested faculty to achieve broader impact; and
- Build the organizational structure necessary to support the newly created office.

VPTL is thinking broadly about how the university will best educate students in the 21st century and is seeding fundamental changes to higher education in the process. As a new organization, VPTL will spend 2015/16 creating a strategic vision that considers cross-campus input from faculty and students, as well as from global and national thought leaders. Through a yearlong series of events called a "Year of Learning," VPTL will generate wide-ranging discussion and debate on campus about the future of teaching and learning at Stanford and beyond. VPTL expects these events to spark an open and public discussion, help shape the national conversation, and spread good ideas about learning. Through symposia, forums, expos, and other thought-provoking events, VPTL will shape its own strategic direction to invigorate teaching and learning on campus, and it will inculcate important values that will enrich the depth and range of Stanford learning experiences for generations to come.

VPTL's cross-functional teams enable it to continue delivering existing teaching and learning commitments and services. VPTL will continue to help train the next generation of teachers and help faculty hone and evolve their teaching skills, from the beginning of their academic careers through tenure and beyond. In parallel, VPTL approaches learning as a dynamically evolving process and provides programming and critical operations to assist undergraduate and graduate students, serving as Stanford's hub for the study and practice of student-based learning.

Digital Teaching and Learning Technology

VPTL has defined targeted initiatives related to digital teaching and learning technology that fall into three categories: 1) teaching and learning innovation; 2) broader accessibility beyond campus of Stanford research and scholarship; and 3) development and extension of programs, such as professional development programs, across all schools.

VPTL will support faculty innovation as well as department and school efforts to develop new and expanded programs that advance teaching and learning in Stanford's classrooms. These range from active learning in innovative learning spaces to networked virtual classrooms bringing world cultures to campus to expanded distance-learning opportunities for alumni and professionals.

Celebrating Stanford's preeminent and wide-ranging research enterprise, VPTL will provide expertise and assistance in developing teaching and learning modules that convey research advances and broaden their impact for individual researchers, multi-university teams, and interdisciplinary research centers. VPTL will also support emerging research in the data science of teaching and learning by fostering a research community of practice and by providing data-oriented research services.

Embedded Learning Specialists

In response to requests from schools, VPTL has developed another noteworthy initiative for 2015/16: a program to embed staff with discipline-based teaching, learning, and technology expertise in departments to support and grow initiatives focused on students' success. Embedded learning specialists (ELSs) will work with faculty to explore and implement new pedagogy and technologies for learning. Because the ELSs will be embedded in departments, they will participate in the department culture, sharing interests and ideas with their faculty colleagues.

Organizational Structure

VPTL began preliminary operation on January 1, 2015, after combining three compatibly oriented units including Vice Provost for Online Learning (VPOL), Center for Teaching and Learning (CTL), and Academic Computing Services and CourseWork (ACS). VPTL is now a single, cohesive unit with a matrix structure. Staff are divided into four functional teams and one administrative group and serve on one or more cross-functional project teams. The four functional teams are:

1) Inspiration and Outreach, which engages in the national conversation about the future of higher education, in faculty outreach to spur innovation, and in program development with schools and centers throughout the university.

2) Learning Experience Design and Development, which focuses on instructor- and student-facing activities, providing online course development support, teaching consultations, small-group evaluations, and support for integrating technology into teaching.

3) Learning Environments, which manages physical learning spaces in Lathrop Library and supports residential computing and other computing clusters.

4) Engineering and Production, which oversees the CourseWork learning management system, the Lagunita platform (previously called OpenEdX) for delivery of online course material, and instructor and learner support. It includes the Media Production & Creation team, which provides video production, motion graphics, editing, and related functions for course materials.

CONSOLIDATED BUDGET OVERVIEW

The 2015/16 consolidated budget for VPTL shows total revenues and expenses of $16.6 million, a balanced budget.

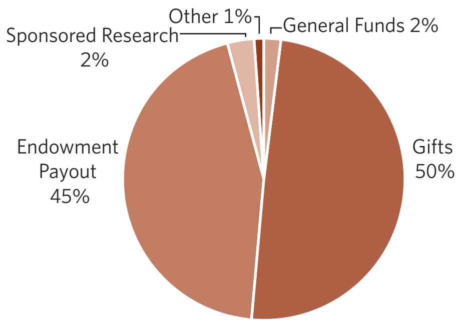
Total revenues in 2015/16 are projected to increase by $2.3 million, or 16%, from 2014/15. This increase is primarily due to one-time funding for teaching and learning programs and the conversion of Stanford's learning management system. A modest increase to base general funds supports administrative and operational infrastructure needed to replace those services that were provided by the former organizational units of the merging groups.

Total expenses in 2015/16 are projected to increase by $2 million, or 14%, primarily because of the filling of several program staff positions to support new programs and the hiring of administrative leadership and staff to support the newly formed office.

Endowment and expendable funds are coming from the former CTL to support teaching and learning programs and the former Residential Computing Services unit to support student computing. These funds are earmarked to support enhancements to student learning programs and to maintain and refresh equipment in the public student spaces and residence halls.

HOOVER INSTITUTION

2015/16 Consolidated Revenues
$60.7 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	61.9	59.1	60.7
Expenses			
Salaries and Benefits	35.1	36.1	38.9
Non-Salary	17.8	20.8	22.2
Total Expenses	52.9	56.8	61.1
Operating Results	**9.0**	**2.3**	**(0.4)**
Transfers From (to) Endowment & Other Assets	(2.3)	(2.7)	(1.1)
Transfers From (to) Plant	0.0	0.0	0.0
Surplus / (Deficit)	**6.7**	**(0.4)**	**(1.5)**
Beginning Fund Balances	34.8	41.5	41.1
Ending Fund Balances	41.5	41.1	39.6

With its eminent scholars and world-renowned library and archives, the Hoover Institution seeks to improve the human condition by advancing ideas that promote economic opportunity and prosperity and secure and safeguard peace for America and all humanity.

PROGRAMMATIC DIRECTIONS

In the coming year, Hoover will build on the strategic growth recently achieved in its program areas and support functions. The institution continues to research areas of relevance to its mission via collaborative teams that have been enhanced with new scholarly talent. The library and archives have invested in personnel, program, and information technology infrastructure, positioning themselves well for growth in collecting, preservation, access, and research in the coming year. During the past 12 months, Hoover both redesigned its website and launched a new tablet application, creating updated platforms to disseminate the work of Hoover scholars and the library and archives more broadly. Finally, the institution is in the middle of a two-year process to expand its development department to sustain its growth in the years to come.

The strength of Hoover's research program lies in the exceptional ability of its scholars; thus, refreshment and expansion of the fellowship continues to be a priority. For 2015/16, the institution anticipates adding two new senior fellows. No additional term appointments are planned for 2015/16, although they may be considered in response to the needs of the research program. To complement existing initiatives, Hoover has launched several new programs that are expected to grow in 2015/16. Among them are studies of intellectual property and innovation, state and local pension reform, and a program on cybersecurity aligned to the broader initiative at the university.

Growth in the library and archives continues per the strategic plan developed last year. For 2015/16, Hoover will expand its collecting of and research on Japan's modern diaspora. The plan calls for a new Japanese curator, new acquisitions, periodic scholarly activities, and a program to digitize a portion of the existing collection. Using a new digital infrastructure and access software, Hoover is also seeking archival material that is born digital, in addition to continuing to digitize its existing holdings, hoping to make materials more broadly accessible. Finally, the library and archives will increase their visibility with Stanford students, scholars, and the public by expanding their offerings of workshops, lecture series, fellowships, and public exhibitions.

Hoover will use its redesigned website and new app as resources for public policy and fact-based scholarship.

Leveraging these new platforms and other distribution partnerships, the institution will embark on a program called Educating Americans in Public Policy. Using a variety of formats, such as brief animated video series, adaptations of Hoover fellows' massive open online courses, and live-action policy parables, the program will strive to equip American citizens and public leaders with accurate facts, historical knowledge, and an analytic perspective and inform the discussion with thoughtful public polling.

To meet the fundraising and administrative needs of its programmatic areas, Hoover will continue to expand its development office and build up the administrative function via strategic staff additions. It will both seek to augment its fundraising strength in California and increase its efforts in the eastern and central United States. The administrative capacity of the institution has not, to this point, kept pace with growth in the other functions. Hoover is engaged in a focused effort to review and restructure administrative processes to increase efficiency, but additions to staff will be required in 2015/16.

Finally, the institution will be under new leadership. After 26 years, John Raisian will be stepping down as director at the end of this academic year. Thomas Gilligan, currently dean of the McCombs School of Business at the University of Texas, will assume the directorship effective September 1, 2015.

CONSOLIDATED BUDGET OVERVIEW

For 2015/16, Hoover projects revenues of $60.7 million and expenses of $61.1 million, for an operating deficit of $400,000. A planned $1.1 million transfer to the capital facilities fund will reduce fund balances by $1.5 million, to $39.6 million.

Revenues are projected to increase by $1.6 million, or 2.7%, over 2014/15. Endowment income is expected to grow by 3.6%, net of payout on new endowment gifts and transfers. Payout growth will be lower than the 4.2% expected by the university because the institution recently withdrew $20 million from the principal of the capital facilities fund as a subvention payment to move the Art Department from the Cummings Art Building, per Hoover's agreement with the university. Ongoing expendable giving growth is expected to be modest as recent program-specific fundraising has been remarkably successful, with significant prepayment of long-range pledges, particularly for the Educating Americans in Public Policy program. Thus, Hoover plans to draw down accumulated reserves as program-specific expenses begin to catch up with previous fundraising.

Given the planned use of reserves, expense growth is expected to track higher than revenue growth. Real expense growth of $4.3 million, or 7.6%, will result from the following:

- Two new senior fellow appointments are anticipated, with additional support staff and research funds required. In conjunction with those appointments and other recent fellow additions, new program spending is expected for associated research initiatives.
- The library and archives will expand their curatorial staff and program expenses for the Japanese diaspora program and other new activities.
- Expenses for professional services, scholar payments, and general program costs for the Educating Americans in Public Policy program will increase in 2015/16.
- Staff additions are expected in the development and administrative functions.

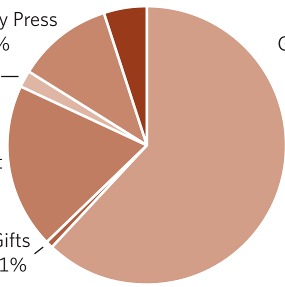
The institution plans to transfer $1.1 million to the capital facilities fund in early 2015/16, bringing the balance of the reserve to approximately $5.9 million. This reserve will become a backstop for operating and maintenance expenses for the new Hoover building.

CAPITAL PLAN

Plans for the new Hoover Conference Center and Office Building on the site of the Cummings Art Building continue on schedule. The need for a fourth building results from steady growth in the institution since the opening of the Herbert Hoover Memorial Building in 1978, as well as anticipated growth in the future. The new building will add 50,340 square feet of offices and conferencing facilities. The total project cost is $65 million, $57.5 million for construction of the building and $7.5 million for connective elements. Hoover has received signed pledges for expendable gifts that will fully fund this cost. The Board of Trustees has granted concept and design approval; construction approval is anticipated later this year. The current project plan estimates groundbreaking this summer and project completion in 2016/17. Hoover has initiated a programmatic study of its three existing buildings to assess the need and propose a plan for their phased renovation after the new building is complete.

STANFORD UNIVERSITY LIBRARIES

2015/16 Consolidated Revenues
$84.3 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	102.7	82.5	84.3
Expenses			
Salaries and Benefits	62.4	46.8	48.9
Non-Salary	47.3	36.7	35.5
Total Expenses	109.7	83.5	84.5
Operating Results	**(7.0)**	**(1.0)**	**(0.2)**
Transfers From (to) Endowment & Other Assets	(0.2)	0.0	0.0
Transfers From (to) Plant	0.0	(0.1)	0.0
Surplus / (Deficit)	**(7.2)**	**(1.0)**	**(0.2)**
Beginning Fund Balances	14.2	7.0	6.0
Ending Fund Balances	7.0	6.0	5.8

PROGRAMMATIC DIRECTIONS

The Stanford University Libraries (SUL) continue to provide scholars and students at Stanford with a range of services and collections supporting their roles and research agendas. As noted below, the efforts of great research libraries, including SUL, to support their users sometimes make the critical nature of their role invisible. The information provided below is aimed at increasing that visibility, demonstrating the very particular role SUL plays in this leading research university, and outlining SUL's directions for the coming year.

Libraries are most commonly associated with published materials, and SUL supports access to and use of a broad spectrum of those materials. SUL still circulates about 5 million items each year from its print collection, which includes over 9 million items, and SUL's librarians and other specialists offer five hundred workshops and courses each year to assist faculty and students in identifying and using all materials relevant to their research. Many of those materials are electronic. Well over 4 million articles are accessed each year from the roughly 25,000 e-journals SUL licenses, while more than 2.5 million uses are made of the million e-books SUL licenses. SUL constantly improves client access to these resources and makes a point of not complicating that access by adding overlays or interactive screens advertising. Its role in bringing them to the Stanford community, the work of hundreds of SUL staff in licensing, deploying, coordinating, and providing a discovery interface for the resources, is largely unrecognized by the average user. Without their support, however, the 24x7x365 access to resources that Stanford students and faculty enjoy would not be possible.

Where electronic materials are the norm, discovery tools are key, and SUL is very proud of the advanced discovery interface that it provides for its users. During 2015/16, SUL will add a geographic element to that discovery environment. Known as EarthWorks, the new tool will allow users to leverage maps in finding and utilizing resources, which will accelerate the already heavy use of geospatial information resources in virtually all fields of academic endeavor. Also rolling out this year will be Spotlight, a web content management tool that will allow scholars to readily integrate digital information objects in SUL's collection into websites and exhibits, thus improving the discoverability of those objects.

Archiving is also a core library function, and 2015/16 is expected to bring expanded use of the Stanford Digital Repository (SDR), SUL's digital archiving service. The data management plans required by U.S. federal funding agencies drive much of the demand, though SUL's archiving services cover a broad spectrum of use cases. One notable use case is website archiving. Thanks to a more refined approach to capturing websites developed here and in consultation with other research libraries, more web archiving of network-based information resources from governmental and nongovernmental organization sources will occur in the coming years. That web archiving will be accompanied by the creation of metadata elements so that the captured websites that will be deposited in SDR will be easily discoverable. For instance, many U.S. government websites sustained for access for only 90 days will be retained here for the long run. In collaboration with other research libraries here and in Europe, SUL will challenge the ephemerality of the web and the commitment of some agencies, governments, and institutions to maintaining the record of civilization.

Finally, libraries are still known for their physical spaces. On that front, SUL is excited to open a singularly important new facility. The David Rumsey Map Center will open in early 2016 and will occupy the fourth floor of the Bing Wing of Green Library. The center will provide access to Stanford's expanding collection of rare maps and geographical information resources (atlases, gazetteers, surveying instruments) in both physical and digital form, along with technologies and software to facilitate their use. It will interoperate seamlessly with SUL's Geospatial Information Service, and its services will include a program of instruction in advanced uses of maps; lectures by distinguished geographers, historians, and collectors of maps; and a regular program of seminars, exhibits, technological innovation, and public presentations. Given the widespread use of maps in various forms by virtually all Stanford faculty departments, the generosity of David and Abby Rumsey as well as a cast of other donors and supporters, is making Stanford the most avant-garde full-service map service west of Washington, D.C.

Several challenges remain worrisome. SUL's efforts to return the Library Information Budget, its acquisitions budget, to the purchasing-power level of 2007/08 remain frustrating. That purchasing power regularly declines, despite the occasional strong increases, and thus SUL is unable to respond effectively to requirements newly expressed by Stanford faculty. This year that meant SUL could not acquire requested engineering and other standards from the developed world. The formula driving increases in the Library Materials Budget is tied to the national Consumer Price Index (CPI), but price increases in academic publishing on a global scale are always multiples of CPI. Planning is under way to move about one hundred SUL staff, formerly housed on Page Mill Road, from recently refurbished and occupied spaces at 425 Broadway in Redwood City to surge spaces across Broadway and then, two years later, to a new building, but the loss of productivity due to these moves is regrettable. As SUL plans and implements bookless libraries on campus for the sciences and engineering, Stanford students demonstrate strong needs for library spaces for study and research. The recent realization of the Lathrop Library from the building formerly known as GSB South has been very successful, and underscores the role of well-maintained and supervised spaces for students.

CONSOLIDATED BUDGET

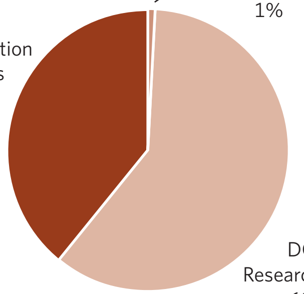
Consolidated revenue and transfers are expected to total $84.3 million: $52.3 million in general funds, $9.7 million in auxiliary revenue, and $22.3 million in restricted and other funds. Consolidated expenses are projected to total $84.5 million: $48.9 million in compensation expenses, $12.9 million in operating expenses, and $22.7 million in library materials acquisitions. The resulting planned operating deficit of $200,000 will be covered by restricted fund balances.

SUL's base operating budget is projected to grow 3.7% from the 2014/15 level. SUL will also receive the third installment of $2.6 million in one-time presidential funds to continue its digital efforts.

Fund balances at the end of 2015/16 are expected to be $5.8 million. SUL projects balances of $1.9 million in restricted expendable funds, $3.4 million in restricted endowed funds, $1.0 million in designated funds, $2.2 million in Lots of Copies Keep Stuff Safe (LOCKSS) auxiliary reserves, and $800,000 in LOCKSS auxiliary operations.

SLAC NATIONAL ACCELERATOR LABORATORY

2015/16 Consolidated Revenues
$513.7 Million



[IN MILLIONS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Total Revenues	376.7	456.2	513.7
Expenses			
Salaries and Benefits	223.6	221.6	217.6
Non-Salary	64.9	83.5	93.2
SLAC Construction	87.8	148.9	200.0
Total Expenses	376.2	454.0	510.8
Operating Results	**0.4**	**2.3**	**2.9**
Transfers From (to) Endowment & Other Assets	0.0	0.0	0.0
Transfers From (to) Plant	0.0	0.0	0.0
Surplus / (Deficit)	**0.4**	**2.3**	**2.9**
Beginning Fund Balances	6.0	6.5	8.7
Ending Fund Balances	6.5	8.7	11.6

PROGRAMMATIC DIRECTIONS

SLAC is a national laboratory operated through a management and operating contract by Stanford University for the Department of Energy (DOE). This contract has been renewed through September 30, 2017. DOE's land lease at SLAC extends through September 30, 2043. The duration of this lease guarantees the full usage of the DOE Office of Science's Linac Coherent Light Source (LCLS) facility.

SLAC hosts DOE scientific user facilities allowing more than 3,000 scientists annually from around the world to conduct research in photon science, astrophysics, particle physics, and accelerator science.

Scientific User Facilities

SLAC operates three DOE Office of Science user facilities: Stanford Synchrotron Radiation Lightsource (SSRL), LCLS, and the Facility for Advanced Accelerator Experimental Tests (FACET).

SSRL provides X-ray beams and advanced instrumentation for research ranging from energy storage and environmental remediation to drug discovery and magnetism in thin films. In 2014, approximately 1,600 unique scientific users performed research using SSRL's X-ray beam lines. SSRL continues to routinely deliver its highest operation current (500 milliamperes), which is among the highest of the intermediate energy X-ray light sources in the world. The increased current makes SSRL's X-ray beam lines brighter, enhancing experimental capabilities and reducing the time needed for data collection, thus adding capacity.

LCLS is the world's first hard X-ray free electron laser (FEL) and one of only two currently operational in the world. LCLS probes the structure and dynamics of matter at nanometer-to-atomic dimensions and on femtosecond time scales. This is opening new frontiers of discovery in areas including atomic physics, imaging of nonperiodic nanoscale materials, nanocrystallography, ultrafast structural and electrodynamics, and matter under extreme conditions.

LCLS-II, which is an upgrade of LCLS, was reconfigured consistent with a DOE advisory panel (BESAC) to incorporate a new superconducting linear accelerator. Compared to the original upgrade, this new approach will allow LCLS II to produce X-ray laser pulses with higher energies as well as higher repetition rates for a much broader range of wavelengths. This new configuration in fact will put the LCLS II x-ray laser worldwide at the forefront of x-ray facilities, significantly enhancing SLAC's scientific capability and capacity. SLAC is developing and building the project in partnership with four DOE national labs—Argonne, Berkeley Lab, Fermilab, and Jefferson Lab—and Cornell University, utilizing core competencies of the DOE complex to accelerate implementation. LCLS and LCLS-II will maintain SLAC's position as a world leader in ultrafast X-ray science for a decade to come. Given the impact it already had, this area will see significant growth and impact in the coming years.

FACET is an accelerator test facility that provides unique high energy and intensity beams of electrons and positrons for a diverse experimental program. It supports a broad program of advanced accelerator R&D with users from around the world. FACET is crucial to sustaining SLAC's core capabilities in advanced accelerators and serves as a test bed for developing new acceleration concepts.

Science Programs

SLAC established a Science Directorate in 2015 in pursuance of its strategic plan. SLAC recognizes that providing world-class research facilities is not enough. To ensure that the best science is carried out at SLAC, the laboratory must continually take a leadership role in identifying and pursuing new science. The Science Directorate focuses on material science, chemical science, biosciences, high-energy density science, applied energy, particle physics, and particle astrophysics and cosmology.

The directorate pursues much of its research through joint Stanford-SLAC institutes. These include the Photon Ultrafast Laser Science and Engineering Center, the Stanford Institute for Materials and Energy Sciences, and the SUNCAT Center for Sustainable Energy through Catalysis.

Material science studies the origins of high-temperature superconductivity and the dynamic properties of ferroelectric and magnetic materials through X-ray and ultrafast techniques. Chemical science explores the attosecond and high-field frontier, imaging molecular structures and dynamics, controlling charge separation and excited state processes, and following the dynamics of catalytic reactions at surfaces and interfaces in real time. The biosciences division has been established in partnership with the schools of Medicine, Engineering, and Humanities & Sciences and builds on structural biology research at SSRL. High-energy density science explores matter in extreme conditions with the unique capabilities of the LCLS FEL, while the applied program extends SLAC's capability into applied energy research.

SLAC is a major partner in the ATLAS experiment at the Large Hadron Collider at the European Organization for Nuclear Research (CERN). The ATLAS experiment continues to explore the properties of the Higgs boson while searching for physics beyond the Standard Model of particle physics.

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 ground-based Large Synoptic Survey Telescope (LSST). The Kavli Institute for Particle Astrophysics and Cosmology provides the intellectual center for these activities and is a vital link to Stanford campus researchers in these fields.

CONSOLIDATED BUDGET OVERVIEW

The 2015/16 SLAC consolidated budget projects total revenues of $513.7 million and total expenses of $510.8 million, with an operating surplus of $2.9 million. The DOE Office of Science funds over 98% of the SLAC budget, $507.5 million, of which $307.5 million is for direct research and $200.0 million is for major capital project costs. SLAC also receives funding from university general funds and other research grants and contracts.

SLAC consolidated expenses will increase 12.5% in 2015/16 from the $454.0 million planned for 2014/15. The direct research part of the expense budget continues to face federal budget constraints from the DOE Office of Science and will grow only 1.9%. At the same time, SLAC is pursuing new opportunities in other areas of science, as supported by the laboratory's decision to establish a new Science Directorate. The construction component of the expense budget, in contrast, will grow 34.3% to $200.0 million. The majority of this growth is attributable to the LCLS-II construction project, whose scope is described in the Programmatic Directions section above.

CAPITAL PLAN

SLAC's long-range development plan was developed with a vision of supporting future scientific program direction by consolidating research activities, upgrading infrastructure, renovating facilities, and demolishing substandard structures. This plan serves as a working document and resource guide beyond the immediate future of planned capital projects.

The $97 million, DOE-funded Research Support Building and Infrastructure Modernization Project is nearing its completion date of June 2015. The project includes construction of a 64,000-square-foot building to house accelerator research staff and a control room, renovation of 4,000 square feet of existing lab space to create two new biology labs and a materials lab, renovation of two administrative buildings (64,000 square feet), demolition of some substandard buildings, and the upgrade of an aging protective relay system for a main transformer that provides power to SLAC.

Additional planned projects include three funded by DOE—the $65 million Science and User Support Building (SUSB), the $55 million Photon Sciences Laboratory Building (PSLB), and the $895 million LCLS-II Experimental Complex. Another current project is the $168 million LSST camera system, which received its baseline budget in 2014/15. The LSST is designed to determine the properties of dark energy with high precision, and SLAC is leading the construction of the 3.2-gigapixel camera.

SUSB construction started in July 2013, with occupancy planned in late 2015. The project includes the demolition of the existing auditorium and cafeteria and their replacement with a new auditorium, cafeteria, and user center. The DOE funding for the PSLB is currently planned for 2015, with groundbreaking tentatively scheduled for 2016 and occupancy for 2018. This environmentally sustainable facility will include wet labs, dry labs, characterization, and a small cleanroom, as well as offices and collaboration space, to support SLAC's photon science mission.

CHAPTER 3
ADMINISTRATIVE & AUXILIARY UNITS

ADMINISTRATIVE UNITS

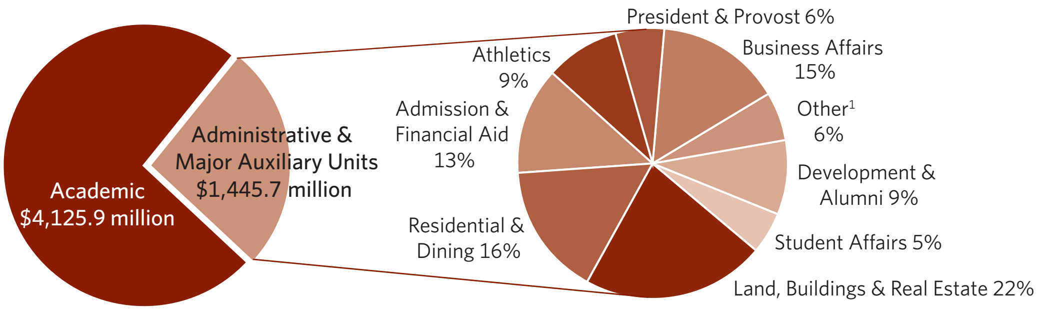
This chapter focuses on initiatives and priorities in the administrative and auxiliary units of the university.

CONSOLIDATED BUDGET FOR OPERATIONS, 2015/16: ADMINISTRATIVE & MAJOR AUXILIARY UNITS

[IN MILLIONS OF DOLLARS]

	TOTAL REVENUES AND TRANSFERS	TOTAL EXPENSES	RESULT OF CURRENT OPERATIONS	TRANSFERS (TO)/FROM ASSETS	CHANGE IN EXPENDABLE FUND BALANCE
Administrative Units					
Business Affairs	214.8	217.8	(3.0)	(1.8)	(4.8)
Development	75.3	76.7	(1.4)	0.0	(1.4)
General Counsel & Public Safety	36.3	36.7	(0.4)	0.0	(0.4)
Land, Buildings and Real Estate	325.7	311.7	13.9	(5.7)	8.3
President and Provost Office	84.9	85.1	(0.3)	0.5	0.3
Public Affairs	12.1	11.9	0.2	0.0	0.2
Stanford Alumni Association	46.5	47.1	(0.5)	0.1	(0.5)
Stanford Management Company	45.7	45.7	0.0	0.0	0.0
Student Affairs	68.2	69.5	(1.2)	0.0	(1.2)
Undergraduate Admission and Financial Aid	181.6	181.3	0.4	0.0	(1.1)
University Human Resources	12.8	13.5	(0.7)	0.0	(0.7)
Major Auxiliary Units					
Athletics (Operations and Financial Aid)	123.7	123.7	0.0	0.0	0.0
Residential & Dining Enterprises	222.1	225.2	(3.1)	0.0	(3.1)
Total Administrative & Auxiliary Units	**1,449.7**	**1,445.7**	**4.0**	**(6.8)**	**(4.3)**

2015/16 Consolidated Expenses by Administrative & Major Auxiliary Units



[1] Other is Stanford Management Company, General Counsel & Public Safety, Public Affairs, and University Human Resources.

BUSINESS AFFAIRS

Business Affairs provides administrative infrastructure, systems, services, and support for the benefit of the university community. The 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 (Controller's Office, Treasurer's Office, Purchasing & Payments); University IT (IT Services, Administrative Systems, Information Security Office); Research Administration (Office of Sponsored Research, Research Financial Compliance and Services); Audit, Compliance and Privacy; Risk Management; and Business Development.

The 2015/16 consolidated budget for Business Affairs shows revenues and transfers of $214.8 million and expenses of $217.8 million. Total fund balances are projected to be approximately $23 million at the end of 2015/16, a reduction of $4.8 million from 2014/15. Over half of the reserve funds in 2015/16 will be held for IT systems projects. Approximately $2.5 million of reserves will be used to fund one-time strategic priorities in operations, including various compliance-related projects and privacy and security initiatives; the remainder will be used to fund enterprise IT systems projects. Commitments are made to systems projects that span fiscal years, and thus reserve levels fluctuate each year, depending on the projects undertaken in a given period.

Revenue and transfers increased by $3.8 million, with an increase in general funds of $6.4 million offset by transfers out to other units and a $1 million reduction in revenue due to the completion of one-time university IT projects for clients. 96% of the new general funds are for normal cost rise, the remainder for growth in systems operations and maintenance.

Total expenses are projected to be 1.3% higher than in 2014/15. This increase is lower than planned cost rise, due to the completion in 2014/15 of several one-time projects, including IT security initiatives, which started in 2013/14, that incorporate $7 million of one-time spending over about two years. Excluding one-time spending, Business Affairs expenses are projected to be 3.3% higher than in the level in 2014/15.

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 service to Business Affairs clients and becoming ever more efficient, as well as addressing new compliance requirements and mitigating enterprise risk.

Significant current Business Affairs initiatives include the following:

- **Information Privacy and Security:** This is a multiyear initiative to improve the university's profile on information privacy and security risks. It includes server minimum security standards and tools, campus-wide endpoint encryption, and broader implementation of two-step authentication.
- **Procurement to Pay Transformation:** The current focuses are replacing the SmartMart purchasing system and piloting an effort to achieve savings in five major supply categories.
- **Business Expenditure Processing Review:** The organization is implementing a revised set of processes that ensure compliance with university and regulatory requirements governing business expenses.
- **Research Computing:** This initiative will substantially increase research computing network speed and capacity.
- **Uniform Guidance:** As government agencies issue guidelines for implementation of Uniform Guidance, Business Affairs will modify research and administrative policies, training, and systems, and it will provide training as needed.
- **Evolve and Consolidate Financial Planning and Reporting:** The second phase of this multiyear initiative to consolidate and update tools for financial management reporting is under way, with a focus on comprehensive reporting for payments and expenditures.
- **Budget Process, System, and Reporting Transformation:** The goal of this initiative is to provide a robust and dynamic budget management system that is well integrated with other financial systems and reporting.
- **System Access and Segregation of Duties:** This initiative seeks to better manage risk associated with access to Oracle and PeopleSoft (HR and payroll) systems and ensure that duties are appropriately segregated.
- **Redwood City:** Business Affairs is collaborating with Land, Buildings and Real Estate and other groups to plan for a future administrative campus.

OFFICE OF DEVELOPMENT

The Office of Development (OOD) projects revenues and transfers of $75.3 million and total expenses of $76.7 million in 2015/16, resulting in the planned use of $1.4 million in accumulated reserves. OOD fund balances are anticipated to decline due to increased development investments in Dean of Research, School of Engineering, School of Earth, Energy & Environmental Sciences, and university arts programs, as well as ongoing IT investments. OOD's main funding sources remain general funds and support from the School of Medicine and Stanford Health Care for Medical Center Development costs.

Total expenses for 2015/16 are 18.2% higher than the 2014/15 year-end projection. Much of this growth results from a comprehensive reworking of OOD's IT infrastructure and the ongoing expansion of Medical Center Development associated with the Campaign for Stanford Medicine, which launched in 2012.

In January 2015, the Council for Aid to Education released fundraising results for colleges and universities during 2013/14. While the overall dollars raised for Stanford remained consistent year over year from 2012/13, the numbers of donors and gifts went up, reflecting a trend of increased activity since the end of the Stanford Challenge. Almost all schools and units exceeded their cash fundraising expectations in 2013/14, in some cases nearly doubling their stated goals. Stanford's continued fundraising success has had a profoundly positive impact on entities across campus.

Looking ahead to 2015/16, OOD will remain actively engaged with existing and prospective donors to support key university and hospital priorities. OOD will invest general funds and reserves in critical areas consistent with its strategic goals:

- **Create, support, and integrate donor lifecycle management, which includes the most efficient and effective processes that ensure the best donor experience:** OOD has completed its effort to optimize and reduce the size of major gift officer portfolios. This will enable the unit to be even more focused and nimble, with a goal of working more efficiently and strategically as a team.
- **Focus on staff, making the office a highly desirable employer:** OOD has recently hired an internal recruitment manager, who will focus on attracting and developing field staff. This, combined with ongoing strategic investments to ensure that field staff are paid at competitive market rates, will help OOD build and retain its talented team.
- **Articulate a compelling and comprehensive vision for the university:** OOD continues to incubate development efforts for new and ongoing programs across the university, adding field staff in areas as diverse as biomedical innovation and the School of Earth, Energy & Environmental Sciences.
- **Engage volunteer leaders:** With the recent addition of an assistant director of community outreach, OOD remains focused on creatively involving volunteers in university life.
- **Develop systems and business processes that maximize Stanford's ability to engage donors and prospects in timely, meaningful, and personalized ways:** OOD is actively engaged with the Stanford Alumni Association partners in overhauling shared 20-year-old IT infrastructure; significant progress on this effort is planned for 2015/16.

GENERAL COUNSEL AND PUBLIC SAFETY

The Office of General Counsel (OGC) projects a consolidated budget of $13.1 million in total revenues and transfers, and $13.6 million in total expenses in 2015/16, a 2.0% increase over the 2014/15 year-end projection. Increases in operational costs include additional compensation costs of a full-time attorney, 90% of whose time will go toward providing legal counsel to SLAC, and increased rates for outside counsel. OGC does not receive an increase in general funds to cover the increase in costs but will limit the rate increases and reduce law firm utilization if necessary to balance the budget. The demand for services in general funds areas, such as Title IX, continues to grow and strains the budget. However, the proposed level of general funds, along with anticipated client retainers, is expected to cover operating expenses in 2015/16.

OGC will continue to focus on its main strategic priorities: proactively constraining costs by increasing efficiency; identifying risk; implementing mitigation strategies, including preventative counseling and more comprehensive client training; and resolving disputes early. OGC will continue its effort to maintain an optimal balance between inside and outside counsel to provide cost-effective, high-quality service. However, severe constraints on office space and rising volumes in legal work continue to pose fiscal challenges to OGC.

OGC anticipates to provide legal services at the required level by prioritizing risks; it may not provide some services so long as this does not increase risk unduly. OGC expects to have adequate reserves to backstop a shortfall should one occur; however, given the increased compliance burden, it may have to revisit its base general funds budget in the future.

The Department of Public Safety (DPS) 2015/16 budget plan projects consolidated revenues and transfers of $23.3 million. Expenses are budgeted at $23.1 million, leaving a surplus of $167,000, a result of designated event revenues and salary savings. The fire and communications contract makes up approximately 37% of the total DPS budget. Budget projections for the 2015/16 fire contract are based on the 2014/15 adopted budget from the City of Palo Alto with anticipated growth. The current contract with Palo Alto is scheduled to end in early 2015/16. The university is presently developing alternative fire service models. The specific nature and costs of the replacement model have not been finalized.

For 2014/15, year-end revenues and transfers are projected to be $23.3 million and expenses $23.2 million, resulting in a consolidated year-end surplus of $26,000. To balance the 2014/15 fire and communications budget, which included close to $800,000 in unbudgeted expenses for overtime and capital equipment, the provost provided $2.8 million in one-time funding in addition to $6.3 million of base general funds.

In 2015/16, DPS operations will focus on several critical areas: implementation of a fire service contract; compliance with the Clery Act and recent amendments, Title IX, and similar state requirements; policy and procedures updates; continued community education, outreach, and safety; and streamlining of data management and related processes.

LAND, BUILDINGS AND REAL ESTATE

Land, Buildings and Real Estate (LBRE) is responsible for developing and implementing the university's Capital Plan; managing and developing commercial real estate on endowed lands; managing campus utilities, grounds, and parking and transportation; and providing stewardship for 8,180 acres of campus and contiguous land, as well as 35 acres of commercial offices and lands in Redwood City. LBRE also manages operations and maintenance (O&M) for 336 buildings, including over 10 million of the 16.1 million square feet (sf) of buildings on campus, Hopkins Marine Station, and other off-campus facilities, as well as for 1.9 million sf of parking structures.

During 2015/16, LBRE estimates revenues and transfers of $325.7 million and expenses of $311.7 million, yielding operating results of $13.9 million. After an expected transfer of $5.7 million for capital renewal projects, LBRE forecasts a planned operating surplus of $8.3 million, or 2.6% of total revenues and transfers. This operating surplus will be applied to the carryforward deficit of $9.7 million in the Heating & Cooling Service Centers.

Total expenses in 2015/16 are expected to decrease by $7.4 million, or 2.3%, over 2014/15, with the following major contributors:

- a $15.9 million decrease in utilities expenses due to lower debt amortization and O&M expenses resulting from the Stanford Energy System Innovations project, as well as lower utility commodity costs;
- incremental O&M costs of $2.2 million for new campus structures in non-formula schools and administrative units (e.g., the McMurtry Building, the Science Teaching and Learning Center, and the 408 Panama Mall Office Building); and
- increases in compensation and materials.

In addition to the responsibilities described above, LBRE leads numerous initiatives that typically span years from concept to completion. The following initiatives are currently active:

Stanford in Redwood City: Stanford's plans for an off-site administrative campus in Redwood City have moved forward. Consistent with the strategic development envisioned with the 2005 acquisition of the Redwood City property, select administrative staff will relocate to this site in order to preserve core campus space for the university's highest academic priorities. Plans have commenced to implement a comprehensive Phase 1 development of 634,600 sf. Approximately 250,000 sf will remain undeveloped, allowing for future university expansion. Two remaining areas—totaling 640,000 sf of development potential and related parking—may be marketed to third-party tenants and to Stanford Health Care and Lucile Packard Children's Hospital concurrent with the development of Phase 1.

New housing: Although Stanford provides a diverse selection of housing for its students, faculty, and staff, the university's need for housing has outpaced its ability to provide new residences on Stanford's land. This supply gap impacts Stanford's ability to recruit and retain faculty, and it is expected to widen in the future as potential plans emerge for the expansion of the undergraduate student population. Addressing Stanford's housing needs will necessarily require a multipronged strategy. The current strategy includes an initiative to acquire new housing stock in strategic locations outside of Stanford's lands, construction of the new California Avenue Faculty Homes and the Graduate School of Business's Highland Hall, and construction of the soon-to-be-completed Manzanita Undergraduate Dorm and Lagunita Court expansion.

Real estate commercial development: The commercial real estate investment pipeline is $442.1 million and includes the Stanford Shopping Center expansion; 500 El Camino Real in Menlo Park, a mixed-use project including rental housing and office and retail space; the 1450 Page Mill Road redevelopment; the 3170 Porter Drive redevelopment; a new Sand Hill Road office project; the Stanford Barn renovation; and construction of 70 affordable residential rental units in Palo Alto as part of the Mayfield Development Agreement. These projects are expected to contribute total annual income of over $38 million to Stanford after completion and stabilization by 2018.

Growth and transportation alternatives: Local and regional traffic congestion is one of the greatest challenges that Stanford, as well as other major employers in our area, faces in terms of growth and change. A "Big Ideas" study for Stanford pointed strongly to a need for continued high-performing transportation demand management (TDM) programs, not only for the campus but also for other Stanford lands, such as the Stanford Research Park and the Stanford Shopping Center. A number of land use planning efforts focusing on future growth are now under way. These will include a strong emphasis on major circulation and transit system types and on how land use choices can optimize transportation and TDM options.

Parking and circulation: As the core campus becomes denser and the availability of surface parking decreases, campus planners are considering a variety of options for parking and circulation. Measures will be implemented that will respond to the demand for parking, as well as improving traffic and safety for vehicles, bicyclists, and pedestrians. Several projects have commenced or will get under way in the short term that will ultimately transform the campus landscape and roadways. These include the installation of campus roundabouts, the construction of new parking structures, and the extension of Panama Mall.

Searsville Dam: An extensive examination of existing conditions and possible alternatives for the future of Searsville Dam and Reservoir commenced in 2011. Because of accumulating sediment, today's water volume is 10%–15% of its estimated original 1,100 acre-feet. Without remediation, sediment will fill in the reservoir in 20–45 years, although large storms, seismic events, and/or fire in the watershed could shorten that time frame. A steering committee and a working group are investigating and evaluating the effects of various alternatives. These comprise actions addressing water supply, potential flooding, academic research, sediment management, and biological and cultural resources. A community advisory group has also been formed to provide additional input to the steering committee.

Stanford continues to construct and develop a high volume of academic and real estate property but faces ongoing challenges, including a difficult, politically charged entitlement environment; constrained internal resource management; and campus disruption. LBRE is mitigating these constraints to the extent possible. Additionally, 71% of Stanford's 2,035,000-sf General Use Permit entitlement, which governs growth on campus, has been allocated to projects that received their building permits as of August 31, 2014.

PRESIDENT AND PROVOST OFFICE

The Office of the President and Provost (PPO) projects total revenues and transfers of $85.4 million, including a transfer of $543,000 from plant funds, and expenses of $85.1 million.

The PPO, a disparate collection of units that share a reporting relationship to the president or provost, is composed of approximately 310 staff organized into 13 units. Each year its composition changes. In 2014/15, the Vice Provost for Teaching and Learning has become its own budget unit, and the PPO has acquired the Sexual Assault and Relationship Abuse (SARA) Office from Student Affairs.

In 2014/15 the PPO projects that Stanford Pre-Collegiate Studies (SPCS) will use its reserves to absorb a $2.5 million operating deficit. SPCS comprises the Stanford Online High School (OHS), Pre-Collegiate Institutes, and Summer College Academy. While OHS enrollment in 2014/15 exceeded expectations, tuition projections were not met due to reduced unit tuition rates, accounting for the vast majority of the operating deficit in the current fiscal year. In 2015/16, OHS tuition rates and enrollments will both grow; as a result, the shortfall will shrink to less than $1 million. Pre-Collegiate Institutes continues to augment their activities by expanding staple summer residential programs, extending the International Youth Program to serve student populations from Greece and Saudi Arabia, adding a new Stanford Artificial Intelligence Lab in collaboration with the Computer Science department, and launching a new sports medicine program. Summer College Academy, which allows students to earn credit during the summer through hybrid online/residential programs, is anticipated to continue to grow and gain revenue.

For 2015/16, PPO will continue using reserves to assist units with staffing needs, cover a new digital transitional system to digitize over 1 million paper documents and appointment papers, and to provide additional support for succession planning. A small amount of one-time funding will support growth in Office of Religious Life staffing, and the Title IX and SARA offices.

New initiatives are being planned for junior faculty development and recruiting and retention of female faculty in science and engineering and recently tenured associate professors.

OFFICE OF PUBLIC AFFAIRS

The Office of Public Affairs (OPA) projects total revenues and transfers of $12.1 million and expenses of $11.9 million for 2015/16, resulting in a net operating surplus of $166,000. This planned surplus will be used mainly to fund the third year of the quantitative communications program, an initiative that measures public online perceptions of Stanford through large-scale digital analysis of social conversation. Total revenues and transfers are budgeted to increase 5.7% from $11.4 million in 2014/15, while total expenses are expected to increase 3.9% from $11.5 million. Incremental base general funds include funding to support a broad spectrum of overdue operating needs at University Communications, and Government and Community Relations; to cover additional costs for Parents Weekend and Commencement; and to help address upcoming strategic retention costs for OPA staff. Revenue from Stanford Video and Stanford Ticket Office is expected to increase slightly from 2014/15 to 2015/16; however in both years, a break-even budget is expected. Incremental base funding will also mitigate the Stanford Ticket Office structural deficit.

OPA forecasts an ending balance of $464,000, of which approximately $94,000 is restricted to specific project and endowment-related expenditures. The unrestricted balance will be used to maintain a modest reserve and to support OPA events, such as TEDxStanford, and other internal and external programs.

OPA is a group of organizations dedicated to protecting and advancing Stanford's mission and reputation as one of the world's leading research and educational institutions. Its three major departments—Government and Community Relations, the Office of Special Events and Protocol, and University Communications—work together to accomplish this mission by providing strategic advice and support to the entire campus community on internal and external reputational matters; building and fostering relationships with local, state, and federal officials; managing and coordinating internal/external communications through traditional and new media platforms; responding to increasing public and international interest; and planning and producing Stanford's highest-profile events and ceremonies. OPA has started leading efforts to prepare for the 125th anniversary of Stanford, which will celebrate not only the accomplishments of the university's past but, more importantly, its teaching and research mission now and in the future.

The confluence of several important trends put OPA, and in particular University Communications, at a strategic inflection point. Stanford's profile has risen rapidly in the past five years, resulting in significant opportunities and challenges, all demanding increased communications support. The communications landscape has radically changed over the same period. This continuous evolution, particularly in digital communications, requires more and varied skills, as well as resources. Given its historic positioning in technology and Silicon Valley, Stanford seeks to maintain pre-eminence in digital communications capabilities.

As Stanford's media exposure is increasing and the need to effectively manage the increased level of scrutiny is at an all-time high, OPA will continue to take advantage of strategic opportunities and proactively protect Stanford from potentially damaging reputational risks.

THE STANFORD ALUMNI ASSOCIATION

The Stanford Alumni Association (SAA) projects $46.5 million in gross revenue and operating transfers and $47.1 million in total expenses in 2015/16, resulting in a reduction of $469,000 in its consolidated fund balance after asset transfers. Reserve balances are projected to stand at $3.1 million at the end of 2015/16.

Business and program revenues, coupled with income from lifetime membership, building, and other endowment fund payouts, will generate about 70% of SAA's gross revenue. The remaining revenue will come from base and one-time general funds and one-time presidential funds. Gross revenue will exceed the 2014/15 projected level by $109,000, or 0.2%, because of slight increases in revenue from SAA internal programs such as Travel/Study, Stanford Sierra Camp, and membership sales. Gross expense, in contrast, will decline from the 2014/15 projected level by $93,000, a result of lower spending on Stanford+Connects.

In the current fiscal year 2014/15, new base general funds allow the conversion of a term position to a continuing billet for SAA's student-facing programs and services. This position supports SAA's efforts to strengthen the connection and engagement between students and alumni and to build a strong sense of class identity within undergraduate student cohorts. New base general funds also allow SAA to address critical infrastructure needs for Reunion Homecoming, SAA's largest on-campus event. One-time general funds continue to support seven technology billets shared by SAA and the Office of Development (OOD).

SAA will use a combination of reserves, internal revenue streams, and one-time base general funds to support alumni education efforts in 2014/15. In addition to making SAA program content available more broadly through digital platforms, these efforts, which frequently leverage the programming of SAA's campus partners, focus on curating and providing alumni access to a wide range of meaningful, topical, and thought-provoking Stanford academic and intellectual content developed across the university

Another 2014/15 highlight is Stanford+Connects, an alumni outreach program that launched in 2012/13. This program brought faculty, students, and the university president to five cities in 2014/15 and has drawn rave reviews and high net promoter scores from alumni participants. Stanford+Connects will wrap up in 2015/16. Presidential funds support this program.

Technology plays a key role in SAA's ability to remain relevant and value adding to alumni and students. In 2014/15, the shared SAA/OOD technology team is pursuing plans to identify a new platform to provide a technologically current, dynamic tool to meet future SAA and OOD needs, as well as those of alumni, donors, and campus partners. The platform will support SAA's programs and services in creating and deepening the connection and engagement of alumni with the university.

Also critical to SAA's success in reaching, serving, and engaging alumni and students is the ability to recruit and retain high-quality staff. SAA realized the need to address salary equity this year. New base general funds in 2015/16 will allow SAA to remedy the most critical of these compensation issues.

In 2015/16, SAA will draw on reserves and internal revenue streams to continue funding alumni education initiatives and to explore meaningful and impactful ways to better meet graduate student and alumni needs. SAA looks to the strategic investments discussed above to deliver a significant return to the university in terms of heightened connection, active engagement, and a stronger community of alumni and students. SAA staff at all levels are enlisted to help attract new alumni participation, deepen the engagement of those already participating, and to identify new opportunities for internal revenue generation and cost savings. Employing all SAA staff allows the organization to better realize its mission 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.

STUDENT AFFAIRS

Student Affairs (SA) programs, activities, mentoring, and advising help students develop the skills necessary to thrive both at Stanford and in society. SA staff work to advance student development and learning; promote diversity, inclusion, and reflection; foster community engagement; and empower students to thrive.

For 2015/16, SA projects total revenues and operating transfers of $68.2 million and total operating expenses of $69.5 million, resulting in a planned operating deficit of $1.2 million and consolidated fund balances of $21.6 million at year-end. Revenues and transfers will exceed those for 2014/15 by $3.8 million, or 5.8%. Projected consolidated operating expenses will exceed those for 2014/15 by $3.5 million, or 5.3%.

SA will receive new base general funds of $675,000 to support the following initiatives and priorities:

- **Staff Career and Job Classification Initiative (JCI):** mitigate incremental expenses related to JCI implementation
- **Advancement of student health and well-being:** convert existing soft-funded Counseling and Psychological Services staff positions to continuing, base-funded positions
- **Support and advancement of student learning:** implement programming in the Manzanita humanities theme residence, opening in fall 2015

New one-time general funds allocations totaling $748,000 will support expenses in Registrar's Office for subscribing to software supporting the SUES (Study of Undergraduate Education at Stanford) curriculum enhancements, and other student record management and customer service needs; Residential Education programming initiatives and experiential learning programs; Diversity and First-Gen Office (DGEN) staffing and programming/operations; and The Markaz: Resource Center staffing.

New funding allocations from the President's Office ($342,000) will support staff for the Designing Your Life class, a collaborative effort between the Career Development Center and the Stanford Design Program. It will also support the Cardinal Service Initiative, a partnership among the Haas Center for Public Service (HCPS), the Vice Provost for Undergraduate Education, and other stakeholders across campus, to expand and elevate public service as an essential part of a Stanford education.

$50.6 million expenses will occur in the operating budget fund type, including $1.5 million for inflationary growth and $1.2 million for incremental program expenses supported by new funding allocations. Also, the HCPS will increase use of restricted funds by $450,000 above current levels to support student stipends, graduate student advisors, and other incremental operating expenses to implement the Cardinal Service Initiative. Standard cost rise accounts for the balance of the projected incremental operating expenses.

Funding reallocations and/or accumulated fund balances will support initiatives and needs across the division, including the migration of SA's web infrastructure to a new platform, programming initiatives in the community centers, and the reconfiguration and refurbishment of Vaden Health Center space to better accommodate changes in service demand and delivery.

Other programmatic and operational emphases for SA in 2015/16 will be as follows:

- The Career Development Center will continue to implement its Vision 2020 strategic plan through programming that enhances opportunities for students to develop career connections with employers, student and faculty communities, while also providing mentors and other experiential learning resources.
- Two newly established and soft-funded units, the Office for Military-Affiliated Communities and The Markaz: Resources Center, will develop strategic plans and sustainable, long-term funding strategies.
- SA will begin developing a strategic plan for student leadership development programs.
- Program assessment and evaluation will continue as a division priority, with primary focus on the Office of Alcohol Policy and Education, the Registrar's Office, and the DGEN Office due to impending expiration of one-time funding allocations.

UNIVERSITY HUMAN RESOURCES

The purpose of University Human Resources (UHR) facilitates the university's mission of excellence in teaching, learning, and research by supporting academic and research priorities with a high-caliber workforce; reducing administrative burden related to employee processes; establishing infrastructure for a high-performing, engaged set of employees; and fostering a workforce that feels valued, supported, and respected. The main units within UHR include Benefits, Employee and Labor Relations, Operations and Systems, Staff Compensation, Talent Management, and Workforce Strategy. Other offices include the Work Life Office and daycare centers, the Help Center, and the Transaction Center.

The 2015/16 consolidated budget shows revenues and operating transfers of $12.8 million and expenses of $13.5 million. Approximately $907,000 of the budget will be expended on the following initiatives:

- **The Career Services program,** part of the Job Classification Initiative, provides a self-service, individualized career development resource for employees and managers. Its goals include creating clear and rational pathways to navigate careers that leverage the initiative's job description library; piloting a new career development services program that supports organizational objectives; and delivering a rich learning experience that includes networking, informational interviews, meet-ups, and classroom trainings.
- **The Total Compensation Statement** provides a personalized online statement based on each employee's current total compensation. Monthly updates capture any changes, such as retirement savings and value of accrued leave. The statement is printable for employees who wish to share it. Implementation is funded by the President's Fund, with UHR funding ongoing license fees.
- **Performance Management@Stanford** is starting the third year of a multiyear rollout toward an institution-wide performance management platform. The goal is to train all 14,000 employees and their managers to use the process and associated online system by 2017/18. A model combining UHR and departmental funding is in place to accelerate the program and streamline training.
- **Implementation of the Job Classification Initiative** continues. Standardized job descriptions, an online job description library, and initial job assignments have been completed. The new system was implemented in April 2015. There will be continuing costs associated with communications and system conversions.
- **Cardinal@Work,** a new web gateway for all human resources programs and services, is scheduled for completion in August 2015.

Expenses are projected to be 6% higher in 2015/16 than in 2014/15. The increase is related to the use of reserves to fund the Total Compensation Statement and Performance Management initiatives, and costs associated with the new University-wide Survey.

UHR is continuing initiatives related to its strategic plan. The plan has three foundational elements: leadership and management development, HR operations and development, and employee engagement. Key ongoing initiatives not described above include the following:

Celebrating Staff Careers: The first "Cardinal at Work: Celebrating Staff Careers" ceremony was held in spring 2014. Over 150 staff were recognized for 30, 35, 40, 45, or 50 years of service to Stanford. A website was also created honoring these staff, and each honoree received a commemorative plaque with an encased medallion of the Stanford seal. Approximately 150 new honorees will be recognized in 2015, and funding is sought to support an event that truly symbolizes Stanford's appreciation of service, both to the honorees themselves and to the thousands of staff who attend the event each year.

UHR Service Team: The shift to on-site benefits services began January 1, 2015. New staff have been hired and trained to help employees with questions. In addition, a new service team concept has been implemented that will provide a broader range of services, including all health and welfare, retirement, disability leave, and transaction services, as well as onboarding and education programs. Employees and retirees will be able to contact the team to clarify information and facilitate problem resolution.

Welcome Center: Since summer 2014, a center has been in place that brings together all campus services needed by new employees. A "flipped classroom" approach to learning has been initiated and will continue to evolve throughout 2015/16. This is a joint project with Business Affairs to onboard new staff more efficiently and facilitate fast employee productivity from day one.

HR Transactions: In 2014 the HR Transaction function was expanded. One-time, multiyear funding was approved for 3.0 FTE to assume transaction management for School of Medicine faculty and academic staff activity. As of March 2015, the group is processing nearly 100% of these transactions.

Stanford Training and Registration System Revitalization: This is a multiyear project to improve compliance-related training. Milestones for 2015/16 are to improve the learner experience and the delivery of profile management. The Learning Solutions Group supports over 45 learning organizations on campus with services for instructional design and course entry in the system.

MAJOR AUXILIARY UNITS

The budget lines for 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 auxiliary operations include the Blood Center at the School of Medicine, the Schwab Center of the GSB, and Stanford University Press in SUL, Bing Overseas Studies in VPUE, and Stanford in Washington and Bing Nursery School in H&S. These items are separately identified in the schools' consolidated forecasts in Appendix A. Due to its size, Stanford University Press is also discussed in this chapter. The major independent auxiliaries are Athletics and Residential & Dining Enterprises (R&DE).

ATHLETICS

The fiscal outlook for the Department of Athletics, PE, and Recreation (DAPER) appears favorable for 2015/16, although uncertainty remains in several revenue streams. DAPER projects a balanced budget based on projected revenues and expenses of $123.7 million. Significant changes in revenues are anticipated in key areas, creating an overall expected increase of 7.5% over the projection for 2014/15. Overall expenses are expected to grow by 6.3% from the projection for 2014/15. DAPER's consolidated budget comprises three distinct sets of activities: auxiliary operations ($92.8 million), financial aid ($23.8 million), and designated activities ($7.1 million).

Auxiliary Operations

Auxiliary operations consist of intercollegiate activities and ancillary activities, with net income from the latter helping to support the former.

Intercollegiate Activities

Revenues and operating transfers for intercollegiate activities in 2015/16 are projected to be $63.7 million, with projected expenses of $66.5 million. The $2.8 million deficit is funded through net income from ancillary operations, specifically the golf course and camp operations. As in most years, DAPER's actual revenues will largely rely on the success of football ticket sales and fundraising efforts. Intercollegiate revenues and transfers are projected to increase approximately 9%. This is primarily due to an increase of approximately $1.6 million in revenue from the Pac-12 conference as a result of the new football playoff system and an increase of approximately $4.0 million in football ticket sales due to a more favorable home schedule.

Expenses related to intercollegiate activities are expected to increase by 5.9%. Although DAPER continues to work to hold expense growth down, there are several key areas of increase in 2015/16. Compensation expenses are increasing due to contractual obligations and an assumption that positions vacant for much of 2014/15 will be filled. Facilities expenses are increasing as the department continues to address significant deferred maintenance needs and incorporate operating expenses from new facilities. Lastly, food expenses are increasing as DAPER continues to provide students with increased nutritional and recovery food options, guided by the standards of the National Collegiate Athletic Association (NCAA).

Ancillary Activities

Revenues from ancillary activities in 2015/16 are projected to be $29.1 million. These revenues come from general funds to support the PE, Recreation, and Wellness area of the department; a contribution from the university benefits pool to support facilities open to all students, faculty, and staff; operations of the golf course, the equestrian center, the Stanford Campus Recreation Association, and camps. Expenses related to these activities are projected to be $26.3 million in 2015/16. The golf course and camp operations produce a surplus of approximately $2.8 million that supports the intercollegiate side of auxiliary operations. All ancillary activities are projected to have only inflationary growth in revenues and expenses over 2014/15 projections.

Financial Aid

DAPER's financial aid endowment remains a huge asset to the department. However, financial aid expenses will continue to exceed endowment payouts in 2015/16, and thus a transfer of approximately $2.1 million from operating revenues will be needed to balance the financial aid budget. For 2015/16, projected expenses are $23.8 million, compared to $21.8 million for 2014/15. This budget provides approximately 340 scholarships that benefit over 500 students. The increase in expenses is due to general growth in the tuition and room and board rates as well as a change in the NCAA rules that allows a scholarship to cover the full cost of attendance rather than just tuition, room and board, and fees. Inclusion of personal expenses adds about $1.2 million in total expenses to the financial aid budget.

Designated Activities

DAPER's designated activities are primarily camps, which are mainly pass-through operations not actively managed by the department. Revenues from the remaining activities are transferred to support auxiliary operations. Significant changes are not expected in any designated activities in 2015/16. In total, expenses from designated activities are projected to be $7.1 million in 2015/16, compared to $6.9 million in 2014/15.

RESIDENTIAL & DINING ENTERPRISES

Residential & Dining Enterprises (R&DE) is a university auxiliary generating revenues primarily through room and board, conferences, cafés, catering, guest housing, concessions, and other enterprises. R&DE houses over 11,000 undergraduate and graduate students and serves approximately 18,000 meals per day, while providing stewardship for 5 million square feet of physical plant. R&DE ensures critical facility needs for life safety and code compliance are met while maintaining safe, comfortable, and contemporary living and dining spaces.

The 2015/16 budget plan projects a break-even auxiliary budget with total revenues and net transfers of $225.2 million to offset related expenses. The consolidated budget plan includes a planned use of reserves for maintenance and capital projects. Consequently, fund balances are projected to decline by $3.1 million.

The 2015/16 combined undergraduate room and board rate increase is 3.5% (4.4% room and 2.2% board). R&DE total auxiliary revenue (excluding transfers) for 2015/16 is projected to increase by 3.2% over the prior-year projection. The budget includes $1.3 million in additional revenues and $600,000 in operating expenses (excluding debt service) from the new humanities-theme residence at Manzanita, opening in fall 2015. R&DE plans to address inflationary impacts on operating costs and anticipated escalation in asset renewal, debt service, and emerging projects with the anticipated revenue increases and continued efficiencies in operations. The 2015/16 operating expenditures also reflect the projected impact on utility costs of the Stanford Energy System Innovations project, increased security measures in technology, the higher cost of attracting and retaining labor, and incremental debt service related to new housing initiatives.

The 2015/16 budget plan includes $8.0 million in transfers in to fund certain debt service in the Capital Plan and to help maintain room rental rates at reasonable levels. The plan also includes revenues, expenses, and additional offsetting transfers to provide additional housing for students at campus rates in the local community pending the completion of new housing on campus. Lastly, it includes strategic funding to support residential living and learning. R&DE plans to transfer out roughly $10.4 million to Residential Education, Residential Computing, the Graduate Life Office, and Summer Sessions, among others.

R&DE continues to make significant investments in its physical plant. It has developed an ongoing long-range capital plan to address its facility renewal needs, with expenditures of approximately $60 million in 2014/15 and $78 million in 2015/16, and additional amounts in future years, on a variety of capital renovation projects. R&DE has also initiated a plan to address a backlog of deferred maintenance across residential and dining facilities. Both plans comprise life safety system upgrades to meet current code; interior and exterior restorations; and window, roof, plumbing, mechanical, and electrical replacements across the student housing and dining system.

The R&DE initiative for new housing, commenced in 2012/13, will result in 777 new graduate and undergraduate bed spaces: 436 at the Donald Kennedy Graduate Residences at Escondido Village, which opened in fall 2014; 125 at the humanities-theme residence at Manzanita, scheduled to open in fall 2015; and 216 at the Lagunita residential complex, scheduled to open in fall 2016. This initiative will also help meet the General Use Permit (GUP) requirements linking housing to academic building growth, improve the future campus-wide GUP position, and support the recommendations of the Study of Undergraduate Education at Stanford (SUES).

The 2015/16 capital project plan will also focus on Row House renovations and kitchen replacements; Escondido Village apartment renovations, including heating system upgrades, fire sprinkler installations, and roof replacement; Rains apartment interior and exterior renovations, including life safety and security system upgrades; Lagunita resident hall plumbing and mechanical upgrades to bathrooms; and refurbishment of existing living, programming, and dining space in Manzanita.

R&DE operates in a dynamic and changing environment; therefore, it is essential to plan for uncertainties. This is achieved by constantly pursuing excellence, diversifying revenue sources, managing costs, mitigating risk, increasing internal controls, driving business results, and maintaining appropriate reserves.

STANFORD UNIVERSITY PRESS

The Stanford University Press projects revenue and transfers of $6.0 million and expenses of $7.5 million for 2015/16, resulting in a deficit of $1.5 million. The provost will cover this deficit with one-time funds. The Press continues to explore fundraising and business model strategies to close the ongoing projected gap.

The Press anticipates continued downturn in the print library marketplace for 2015/16, but there has been modest growth in both the digital library and individual print retail sectors. Growth in the digital library market is the direct cause of the shrinking print library market. The Press is seeing this growth almost exclusively in Stanford Scholarship Online, and it has reacted quickly to this trend, adjusting its market discounts and expanding its sales model to include single title-by-title sales, in addition to full subject collections.

The Press's response to retail marketplace developments has been twofold and ties in to a general trend within the academy for broader access to scholarship. First, the Press has expanded its acquisition and development of broad, interdisciplinary work. The acquisitions team is working closely with authors to reframe and develop their manuscripts. This deeper manuscript work is resulting in fewer titles being published, but the resulting books are performing better in terms of both reviews and sales. Second, the Press is focusing its limited resources on direct-to-customer marketing. The integration of marketing and social media outreach is resulting in more engagement and thus stronger individual title sales.

Two major new initiatives that launched in spring 2015 will directly impact Press output and performance in 2015/16. The first is a new trade book imprint, Redwood Press. Distinct from the more scholarly output of Stanford University Press, Redwood Press will publish both fiction and nonfiction, with the goal of promoting big ideas to a broad audience. Its two debut titles are a Middle Eastern–themed historical novel by a best-selling author and a manifesto for the future development of Latin America by the former president of Peru. Both have received wide critical acclaim. Second, the Andrew W. Mellon Foundation awarded the Press a $1.2 million grant for a groundbreaking digital publishing initiative. The three-year goal of this initiative is to develop a fully-fledged publishing program for the output of digital humanities and social sciences. It will be completed with the full benefits of a traditional publishing infrastructure, including robust peer review for both content and technology, editing, design, publication, and marketing. The grant will allow the Press to hire two additional staff members and to integrate this work within its overall structure, thus benefiting its traditional publishing program.

International distribution of the Press lists has demonstrated excellent results after it shifted to Combined Academic Publishers, in England, in June 2014. The reduced non-U.S. prices resulted in significantly lower per-unit revenue. However, as anticipated, the lower prices were attractive to buyers and, coupled with the marketing skills of the new distribution partner, unit sales greatly increased. Press overseas revenue has thus held steady and will show signs of growth in the coming year. Investigation of a similar distribution shift within the United States is under way.

CHAPTER 4

CAPITAL PLAN AND CAPITAL BUDGET

Stanford's 2015/16–2017/18 Capital Plan and 2015/16 Capital Budget are based on projections of the major capital projects that the university will pursue in support of its academic mission. The rolling Capital Plan includes projects that are in progress or are expected to commence during the three years it covers. The Capital Budget represents the anticipated capital expenditures in the first of these years. Both the Capital Plan and the Capital Budget are subject to change based on funding availability, budget affordability, and university priorities.

At $2.9 billion, the Capital Plan reflects the significant investment Stanford continues to make in its facilities, driven by the academic priorities for teaching, research, and related activities, described in Chapter 2, and the initiatives of the administrative and auxiliary units that support the academic mission, described in Chapter 3.

With the 2014/15 project completions, Stanford will have invested $5.6 billion in its facilities, infrastructure, and commercial real estate since 2000. Across the campus, aging facilities have been replaced with new and renovated buildings capable of supporting cutting-edge science, engineering, medicine, and the collaborative research among them, as well as with new facilities for business, athletics, law, and the arts. Off-campus commercial development projects, such as the recently completed 1701 Page Mill Road, provide additional income to the university.

In addition to the many projects currently under way and previously forecasted, the Capital Plan now includes the following new projects and programs: the Clinical Excellence Center 1 (CEC 1) and associated projects ($230.1 million), the Housing Acquisition Initiative ($200 million), Frost Amphitheater Improvements ($25 million), the Kingscote Renovation ($16.6 million), Roble Dining Hall Refurbishment ($12 million), the Campus Drive Roundabouts Program ($7 million), the New Child Care Facility ($6.3 million), the Geballe Laboratory for Advanced Materials Infill Building ($5.6 million), and the Building 60 Physics Teaching Lab ($4.6 million).

The following eight significant projects make up 64% of Stanford's Capital Plan: Stanford in Redwood City Phase 1 ($543.7 million), the Stanford ChEM-H (Chemistry, Engineering & Medicine for Human Health) and Stanford Neurosciences (Neuro) Institutes Building ($252.6 million), the CEC 1 ($230.1 million), the Biomedical Innovation Building and Tunnel ($200.8 million), the Housing Acquisition Initiative ($200 million), the California Avenue Faculty Homes ($162 million), the Anne T. and Robert M. Bass Biology Research Building (Bass Biology Building) and associated projects ($132.6 million), and the new Earth, Energy & Environmental Sciences Building ($128.1 million). The remaining 36% of the Capital Plan comprises 28 projects and 10 infrastructure programs. For a detailed listing of all Capital Plan projects and programs, see the tables on pages 80–82.

The Capital Plan accounts for the long-term budget impacts on operations, maintenance, and utilities (O&M) and debt service. These obligations are included in the university's long-range budget planning and are detailed on page 74.

This chapter provides an overview of the capital planning process, describes current strategic initiatives, presents the 2015/16–2017/18 Capital Plan and related constraints, and discusses the 2015/16 Capital Budget.

CAPITAL PLANNING OVERVIEW

Capital Planning at Stanford

Stanford's Capital Plan is a three-year rolling plan with commitments made for projects with fully identified and approved funding. Cash flow expenditure forecasts for these projects extend beyond the three-year period, and budget impacts for O&M and debt service will commence at construction completion. The plan includes forecasts of both cash flow and budget impacts by year, as well as the impacts of projects beyond the three-year period (see tables on 74).

The Capital Plan is set in the context of a longer-term capital forecast. The details of this forecast, particularly funding sources and schedules, are less clear than those of the three-year plan, as the needs and funding sources that may emerge over the long-term horizon are difficult to anticipate. Plans tend to evolve as some projects prove more feasible than others based upon shifting funding realities and academic priorities.

Strategic Initiatives

The following university strategic initiatives are integral to this year's Capital Plan:

- Stanford in Redwood City
- Biology/Chemistry/Computer Science Precinct
- New housing
- Growth and transportation alternatives
- Parking and circulation
- Water conservation

STANFORD IN REDWOOD CITY

Stanford's plans for an off-site administrative campus in Redwood City have moved forward. Consistent with the strategic development envisioned with the 2005 acquisition of the Redwood City property, select administrative staff will relocate to this site in order to preserve core campus space for the university's highest academic priorities. Plans have commenced to implement a comprehensive Phase 1 development of 634,600 square feet (sf)—560,250 sf of office buildings, 65,000 sf of amenity buildings, and 9,350 sf of utility and IT infrastructure—as well as parking for 1,461 vehicles. The Phase I development is anticipated to be completed in 2018/19. Approximately 250,000 sf will remain undeveloped, allowing for future university expansion. Two remaining areas—totaling 640,000 sf of development potential and related parking—may be marketed to third-party tenants and the hospitals (Stanford Health Care [SHC] and Lucile Packard Children's Hospital [LPCH]) concurrent with the development of Phase 1. Third-party leasing will only move forward if market rents meet targeted returns on Stanford's investment. Any third-party lease will allow for Stanford to retain design and operating control and eventually to occupy the space. Full build-out of the 35-acre parcel is capped at 1,518,000 sf, as detailed in the Stanford in Redwood City Precise Plan.

The prospective Phase 1 tenants include approximately 2,125 staff from Business Affairs (800), the School of Medicine (SoM) (700), Land, Buildings and Real Estate (LBRE) (200), the Office of Development (150), University Human Resources (100), the Graduate School of Business (GSB) (100), and Libraries (75). The development and subsequent move will free up almost 150,000 sf on campus as well as in the Stanford Research Park; space in the latter will then be re-leased to third-party tenants at market rates, increasing revenues to Stanford.

The new buildings on the Redwood City campus are envisioned to be Class A office buildings with significant sustainable features incorporated throughout the project. Creating usable outdoor space is a key priority.

BIOLOGY/CHEMISTRY/COMPUTER SCIENCE PRECINCT

The long-term vision of a science quad in the Biology/Chemistry/Computer Science Precinct has begun to materialize with the implementation of two key components. A major rehabilitation of the Old Chemistry Building ($66.7 million) will provide facilities for the new Science Teaching and Learning Center (STLC) when it is completed in early 2016. Design refinements to the proposed Bass Biology Building ($107 million) are progressing with the objective of presenting the final design to the Board of Trustees later this year.

Joining Gilbert Biology and Gates Computer Science to the south, together with the Lokey Laboratory and Keck Science buildings to the north, the STLC and the Bass Biology Building will anchor the new science precinct. Underground service for the majority of the precinct will be provided through expansion of the existing Gilbert Biology central loading area. This will enhance operational efficiency for science deliveries and improve safety for pedestrians and bikers, while also preserving land for future development.

Over the longer term, the demolition of the Stauffer I and II buildings will enable the introduction of a central green area that will provide highly valued space for student interactions and departmental collaborations. The site is being carefully planned to allow for the construction of three to four future buildings within the precinct.

Bass Biology Building

The Bass Biology Building will provide laboratory space for approximately half of the department's faculty, staff, and technicians in approximately 123,500 sf of space dedicated to wet-lab biochemistry research and computational research. It will allow the relocation of multiple faculty research programs from various buildings and demolition of the existing Herrin Hall and Herrin Laboratory buildings. The new building will have four stories above grade and one below.

The project includes the central loading dock and demolition of Stauffer III ($21.1 million) as well as connective elements ($4.5 million). Construction is anticipated to commence in summer 2016 and be completed in fall 2019.

Science Teaching and Learning Center

The STLC will house teaching laboratories and support spaces available to both students and faculty. In order to develop an activity hub for undergraduate students, the STLC will combine the three existing science libraries and will integrate replacement classrooms and lecture halls within new collaborative study spaces. The new facility will encourage a sense of community for undergraduate students, primarily in the Biology and Chemistry departments.

As part of the project, a 12,700-sf, partially underground addition to the historic Old Chemistry Building will be constructed to house a 300-person auditorium and a 126-person lecture hall. The primary ceremonial east façade on Lomita Mall will be maintained as the main entrance of the building. The west side will feature an events terrace on the roof of the new addition. The terrace will serve as a gathering place for undergraduate interaction as well as a venue for departments to host events.

NEW HOUSING

Although Stanford provides a diverse selection of housing for its students, faculty, and staff, in recent years the university's need for housing has outpaced its ability to provide new residences on university-owned land. This supply gap impacts Stanford's ability to recruit and retain faculty, and it is expected to widen in the future as potential plans emerge for the expansion of the undergraduate student population. Addressing Stanford's housing needs will necessarily require a multipronged strategy.

Under the Housing Acquisition Initiative ($200 million), the university will acquire both rental and "for sale" units in strategic locations outside of Stanford's lands. The "for sale" units will be resold to eligible faculty under the university's new restricted ground lease. The rental units will house faculty as they transition to home ownership. Significant demand from Stanford staff is expected to fill any vacant units. The university will benefit from the initiative by controlling units for its own population, moderating rents and faculty purchase prices, creating community, and offering immediate access to vacant units.

As part of the initiative, the university is proceeding with the purchase of the Colonnade ($130.5 million), a 167-unit complex in Los Altos. Currently under construction, it will offer 100 one-bedroom/one-bath and 67 two-bedroom/two-bath rental apartments only three and a half miles from campus. Stanford will also acquire individual single-family homes as opportunities permit.

The construction of the new California Avenue Faculty Homes ($162 million), consisting of 68 single-family detached homes and 112 condominium flats, will also help to increase the supply of high-quality affordable housing for Stanford faculty. These housing units will be made available to faculty for purchase at below-market prices through the use of Stanford's restricted ground lease, a model that proved successful when it was introduced with the sale of the Olmsted Terrace Faculty Homes. To facilitate broader lifestyle opportunities and a sense of community, the housing units will be organized around a central park and also offer other gathering and respite areas, children's play equipment, and common fitness and community buildings to residents. Delivery of the first homes is planned for the first quarter of 2017, while the remaining homes will be completed over the following year.

Together with the Manzanita Undergraduate Dorm (128 new beds), which will be completed in midsummer 2015, the undergraduate population will gain two residences as part of the historic Lagunita Court expansion ($42.8 million). Each of the two four-class residences will provide

108 beds, accommodating undergraduate students and two new resident fellows, as well as necessary program spaces. Occupancy is anticipated in fall 2016.

The construction of Highland Hall ($75 million), now under way, will add a net 200 beds to the GSB's housing stock when it is completed in summer 2016. The new residence complex, adjacent to the Schwab Residential Center and across Serra Street from the Knight Management Center, will accommodate all first-year single students who desire to live on campus. Highland Hall supports the university's overall need for additional graduate housing.

GROWTH AND TRANSPORTATION ALTERNATIVES

Local and regional traffic congestion is one of the greatest challenges that Stanford, as well as other major employers in our area, faces in terms of growth and change. A "Big Ideas" study for Stanford pointed strongly to a need for continued award-winning transportation demand management (TDM) programs, not only for the campus but also for other Stanford lands, such as the Stanford Research Park and the Stanford Shopping Center. A number of land use planning efforts focused on future growth are now under way. These include a strong emphasis on major circulation patterns and transit system types and on how land use choices can optimize transportation and TDM options.

PARKING AND CIRCULATION

As the core campus grows more dense and the availability of surface parking decreases, campus planners are considering a variety of options for parking and circulation. Measures will be implemented that will respond to the demand for parking, as well as improving traffic and safety for vehicles, bicyclists, and pedestrians. Several projects have commenced or will be under way in the short term that will ultimately transform the campus landscape and roadways. They include the installation of campus roundabouts, the construction of new parking structures, and the extension of Panama Mall.

Roundabouts

With the continued development and expansion of the core campus, it has become critical to develop vehicular circulation, pedestrian safety, and bicycle safety strategies at various intersections. After comparing metrics for four-way stop signs, traffic signals, and roundabouts, Stanford has developed a plan for a system of roundabouts at intersections along Campus Drive. These roundabouts will enable more efficient vehicular circulation, reduce confusion for both drivers and pedestrians, and transform large asphalt intersections into welcoming landscape features at various campus entrances. The first roundabout conversion, at Escondido Road and Campus Drive, is now complete. Given its success, Stanford is moving forward with three more roundabouts at Campus Drive intersections at Bowdoin, Santa Teresa, and Galvez, with completions planned over the next two years.

Parking Structures

The university's newest parking structure is being constructed under the existing Roble Field. The Roble Field Garage (formerly Parking Structure 10) will provide 1,165 parking stalls. To meet parking demand in this region of campus and to maximize capacity in the structure, it will have five levels rather than the four originally planned. The entrance and exit will be on Via Ortega, and the exit will be right-turn only to minimize traffic on Santa Teresa. A trellis system and associated landscaping will be integrated into three small structures at the corners of the site that will house the elevators, mechanical support, and egress stairs. Roble Field will return to recreational use at grade after the new facility is completed in July 2016.

Future structures will generally be sited along the outer perimeter of the core campus or in the vicinity of the Campus Drive loop. Campus planners are continuing to investigate innovative and efficient strategies for pedestrian circulation within that loop.

Panama Mall and Other Circulation Improvements

As part of the Roble Field Garage project, the Godzilla Modular has been removed, enabling the adjacent extension of Panama Mall. This new segment, consistent with the Campus Long-Range Planning Vision, will link Samuel Morris Way and Governor's Avenue and provide a safer pedestrian and bicycle pathway. This initiative will also close Samuel Morris Way to vehicular traffic, extend Via Ortega between the new Arrillaga Outdoor Education and Recreation Center and the future Roble Field Garage, and result in a future academic building site south of the Yang and Yamazaki Environment and Energy Building.

WATER CONSERVATION

Years before Californians entered into one of the state's worst droughts on record, water conservation has been an essential component of Stanford's sustainability program. Despite continued campus growth, Stanford's award-winning conservation program has reduced potable water use by 21% over the last decade through implementation of a comprehensive set of water saving measures. To reach this result, Stanford implemented hundreds of water conservation projects, including retrofitting plumbing fixtures with low-flow equipment, converting water usage from potable to non-potable where possible (e.g., irrigation and toilet flushing), and incorporating smarter irrigation meters and controllers to improve efficiency in outdoor water use. With the activation of Stanford Energy System Innovations (SESI) on March 24, 2015, Stanford's potable water use will further decrease by 15%, increasing Stanford's total water reduction to 36% over the past 15 years.

While the university already planned and invested in achieving this reduction, Stanford launched a campaign to achieve an additional voluntary 5% overall water reduction. Since January 2014, when Governor Jerry Brown issued a Declaration of Emergency for the State of California due to the prolonged drought, Stanford has completed a detailed analysis of its water consumption to develop a set of measures to voluntarily further reduce water use. The campus water department prepared a Drought Management Plan and launched outreach campaigns to achieve efficiency and additional voluntary measures in recognition that technical fixes can only take the university so far. Raising awareness of water conservation and promoting water-efficient habits are essential. Additionally, on April 1, 2015 the Governor issued an executive order mandating additional water use reduction and regulations from the State Water Resources Control Board that Stanford will incorporate as appropriate into its plan.

THE CAPITAL PLAN, 2015/16–2017/18

Stanford's academic campus, including SoM but excluding the hospitals, has approximately 700 facilities providing nearly 18 million sf of space (including parking structures and housing units). The physical plant has a historical cost of $8.2 billion and an estimated replacement cost of $11.4 billion.

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. Many are under the purview of the Board of Trustees. Board-level approval is required for any of the following:

- Projects with a total cost of $10 million and above
- New building construction
- Projects that use 5,000 or more new square feet within the academic growth boundary
- Changes in land use
- Projects with major exterior design changes

Expenditures in the 2015/16–2017/18 Capital Plan, which includes major construction projects in various stages of development and numerous infrastructure projects and programs, total $2.9 billion. The table below provides a comparison of the current and the last two Capital Plans.

COMPARATIVE CAPITAL PLANS

[IN MILLIONS OF DOLLARS]

	2013/14	2014/15	2015/16
Design/Construction	1,200.9	1,144.1	1,521.9
Forecasted	1,096.4	1,402.0	862.0
Infrastructure and Other	249.4	290.0	514.3
Total	**2,546.7**	**2,836.1**	**2,898.2**

This year's plan is consistent in value with last year's, even with the completion (and therefore exclusion) of SESI, at $485 million. New projects and scope and corresponding budget increases for existing projects have more than offset this large project activation. Large contributors to the offset include a scope and budget increase for the Stanford in Redwood City project ($150 million), the addition of the CEC 1 and associated projects ($230.1 million) and the Housing Acquisition Initiative ($200 million).

Projects in Design and Construction

Projects in design and construction total $1.5 billion (52% of the plan). Construction of these projects is contingent upon fundraising of $150.4 million (10%). This category comprises 13 projects, as shown in the table on page 80.

The cost of projects in design and construction went up by $377.8 million from 2014/15 as a result of projects advancing from the forecasted category and budget increases, partially offset by project completions. Projects moving from the forecasted to the design and construction stage include Stanford in Redwood City Phase 1 ($543.7 million), the ChEM-H and Neuro Building ($252.6 million), the Bass Biology Building and associated projects ($132.6 million), the Hoover Institution Conference Center Building and connective elements ($65 million), and the 1651 Page Mill Road Renovation ($43.3 million). Projects scheduled to be completed in 2014/15 and therefore excluded from the plan include SESI ($485 million), the McMurtry Building ($87 million), the Manzanita Undergraduate Dorm ($23.8 million), the C.J. Huang Building ($23.2 million), the RAF 1 and RAF 2 Rehabilitation and Retrofit ($20.6 million), Buildings 520 and 524 Renovation ($20.5 million), the Stadium Field House ($14 million), and the Stanford House in Oxford ($5.2 million).

Forecasted Construction Projects

Forecasted projects are those anticipated to receive Board of Trustees approval over the next three years. These projects total $862.0 million (30% of the plan) and are listed on page 81. Like those in design and construction, these projects are contingent upon funding. For this group, $203.7 million (24%) remains to be fundraised and $154.6 million (18%) has yet to be identified.

Project costs within this category have decreased by $540 million from 2014/15 as a number of projects have moved into the design and construction category. The decrease was partially offset by the addition of new projects to the Capital Plan. These include the CEC 1 and associated projects ($230.1 million), Frost Amphitheater Improvements ($25 million), the Kingscote Renovation ($16.6 million), Roble Dining Hall Refurbishment ($12 million), and several smaller projects.

Infrastructure and Other Programs

Stanford's ongoing efforts to renew its infrastructure are reflected in a budget of $514.3 million (18% of the plan) and are listed on page 82. New to the Capital Plan is the Housing Acquisition Initiative ($200 million), which accounts for 89% of the $224.3 million increase in infrastructure and other program costs from last year's Capital Plan. Infrastructure programs include the Investment in Plant Program (planned maintenance), the Residential & Dining Enterprises (R&DE) Major Renovation Plan, improvements to the High-Voltage (HV) Transmission System, the Capital Utilities Program (CUP), the Stanford Infrastructure Program (SIP), Whole Building Energy Retrofit Program Group 2, upgrades to information technology and communications systems, three Campus Drive roundabouts, storm drainage projects, and General Use Permit (GUP) mitigation. GUP mitigation and SIP projects are funded through construction project surcharges. The other projects are funded by central funds or debt.

INVESTMENT IN PLANT (PLANNED MAINTENANCE) PROGRAM

Annual Investment in Plant assets represent 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. The three-year estimated program cost is $140.7 million.

R&DE MAJOR RENOVATION PLAN

R&DE's 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. Projects anticipated over the next three years total $41.3 million and include continuation of the code compliance upgrades of various Row Houses, repairs to the Escondido Village slab heating system and infrastructure, life safety upgrades, and bathroom renovations. Completed projects will be maintained through the Stanford Housing, Dining, and Hospitality Asset Renewal Programs.

HIGH-VOLTAGE TRANSMISSION SYSTEM IMPROVEMENTS

The regional HV transmission grid serving Stanford, which is owned and operated by the Pacific Gas & Electric Company (PG&E), has become overloaded over time and is insufficient to serve Stanford's electricity loads under high grid demand conditions. The university's share of the cost to construct an HV bridge that would provide fully redundant transmission service to Stanford, SLAC, and the City of Palo Alto is $40.3 million. The new bridge has the potential to save over $5 million per year in transmission costs.

CAPITAL UTILITIES PROGRAM

The $33.7 million three-year CUP plan will improve electrical, hot water, water, chilled water, and wastewater utility systems. The CUP covers expansion of systems as required by campus growth ($19 million) and replacement of systems that are near the end of their useful life ($14.7 million).

STANFORD INFRASTRUCTURE PROGRAM

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 expenditures are expected to total $16.8 million over the next three years (excluding funding for replacement parking spaces). SIP projects include campus transit, parking lot infrastructure, and site improvements; landscape design and enhancements; bicycle, cart, and pedestrian path construction; and lighting, signage, and outdoor art installations.

WHOLE BUILDING ENERGY RETROFIT PROGRAM GROUP 2

This retrofit program seeks to reduce energy consumption in Stanford's largest energy-intensive buildings. The program began in 2003/04 with studies of the top 12 energy-consuming buildings, representing $15.9 million of energy expenses per year, or nearly 36% of the campus total. It has since been expanded to offer cost-effective, capital-intensive energy retrofit opportunities to additional large energy-consuming buildings. The retrofits completed thus far have delivered annual energy cost savings of $4.7 million, a discounted payback of less than four years, and PG&E rebates of $2.3 million.

INFORMATION TECHNOLOGY AND COMMUNICATIONS SYSTEMS

The university's computing and communications systems provide comprehensive data, voice, and video services to

WHOLE BUILDING ENERGY RETROFIT PROGRAM

PROJECT	RETROFIT STATUS	ESTIMATED ANNUAL CONSUMPTION SAVINGS	ACTUAL SAVINGS
Stauffer I - Chemistry	Complete	38%	46%
Gordon & Betty Moore Materials Research[1]	Complete	32%	10%
Paul Allen Center for Integrated Systems (CIS)	Complete	15%	14%
Forsythe (George) Hall	Complete	8%	8%
Stauffer II - Physical Chemistry	Complete	38%	43%
Gates Computer Science	Complete	29%	27%
Beckman Center for Molecular and Genetic Medicine	Complete	46%	32%
Gilbert Biological Sciences	Complete	35%	32%
Cantor Center for Visual Arts	Complete	13%	14%
Bing Wing (Green Library West)	Complete	16%	50%
Packard Electrical Engineering	Complete	26%	37%
Arrillaga Alumni Center	Complete	27%	31%
RAF I	Complete	11%	11%
RAF II[2]	Complete	30%	TBD
CIS Distributed Digital Control	Commissioning	5%	
Clark Center	Commissioning	11%	
Mitchell Earth Sciences	Design	50%	
Green Earth Sciences	Design	15%	
Varian Physics Laboratory	Design	24%	
Mechanical Engineering Laboratory	Design	24%	
Lucas Center	Study complete	17%	
Keck Science	Study complete	20%	
Durand	Study complete	10%	
Center for Clinical Sciences Research (CCSR)	Study complete	13%	
Herrin Hall - Biology	Cancelled		

[1] Construction scope reduced from original survey.
[2] Actual savings to be verified.

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 more efficient, faster, and/or more cost-effective solutions. Planned upgrades to these critical university systems total $13.1 million, including $2.8 million to upgrade the network backbone and $1.6 million for a departmental firewall refresh that is required every five years.

CAMPUS DRIVE ROUNDABOUTS

As discussed in more detail on page 68, Stanford plans to construct three additional Campus Drive roundabouts at a cost of $7 million.

STORM DRAINAGE

The ongoing storm drainage program includes projects for improving and expanding the capacity of the campus storm drainage system, building storm water detention facilities, replacing deteriorated pipes, and improving drainage around buildings. In addition, recently adopted 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. These approaches will be incorporated on new building sites, where feasible. The Capital Plan also includes improvements to the storm drainage system in the faculty/staff housing area of campus, adding storm drainage infrastructure where none exists and upgrading existing drainage infrastructure to conventional levels of protection. The three-year estimated program cost is $5.4 million.

GENERAL USE PERMIT MITIGATION

An internal fee levied on capital projects that increase school/department campus space allocations funds the implementation of Santa Clara County GUP requirements and recommendations, including trails, storm water management, TDM, protection of biological resources, new parking spaces, and other programs. GUP fees also fund projects related to water conservation, water allocation (alternative supplies), and wastewater collection expansion (estimated to cost $2.2 million over three years).

Other Stanford Entities

In an effort to present a comprehensive view of university-planned construction, the capital planning process has included Stanford Real Estate, Stanford Health Care (SHC), and Lucile Packard Children's Hospital (LPCH), and SLAC National Accelerator Laboratory. Although the tables at the end of this chapter do not include these entities (with the exception of academic projects managed by Stanford Real Estate), brief descriptions of the Real Estate, SHC, and LPCH capital programs follow. The SLAC capital programs are addressed in Chapter 2, page 50

STANFORD REAL ESTATE

Stanford Real Estate is managing ten projects totaling $1.2 billion in various stages of planning and development on Stanford lands. Seven of these are commercial real estate investments: the expansion of Stanford Shopping Center ($29.3 million) with the newly opened Bloomingdale's store; the development of 500 El Camino Real in Menlo Park, a mixed-use project of approximately 440,000 sf, including rental housing and office and retail space ($258 million); the redevelopment of 1450 Page Mill Road and 3170 Porter Drive, a new Sand Hill Road office project, and the renovation of Stanford Barn, totaling $138.8 million; and the acquisition of 70 affordable residential rental units in Palo Alto as part of the Mayfield Development Agreement ($16 million).

The academic projects currently managed by the Real Estate are Stanford in Redwood City Phase 1 ($543.7 million), discussed in detail on page 66; the California Avenue Faculty Homes ($162 million) (also part of the Mayfield Development Agreement); and the Kingscote Renovation on the main campus ($16.6 million).

STANFORD HEALTH CARE AND LUCILE PACKARD CHILDREN'S HOSPITAL

The Stanford University Medical Center (SUMC) Renewal Project includes the development of approximately 1.3 million sf of net new hospital, clinic, and medical office space on the main medical campus and the Hoover Pavilion site. The project received development entitlements from the City of Palo Alto nearly four years ago. Construction of Pavilions 1-4 is well under way, and significant project milestones have been achieved. Major utility upgrades to serve the new medical facilities have been completed along Welch and Quarry Roads, and steel erection is complete for both the new SHC and the LPCH expansion, which are estimated to cost $2 billion and $1.1 billion, respectively. Meanwhile, due diligence for a fifth pavilion for SHC is currently under way. On the Hoover Medical Campus, the historic Hoover Pavilion has been fully renovated and upgraded to accommodate modern medicine, a new 1,080-car parking structure has been completed, and a new 92,500-sf medical office and clinic building just northwest of the original pavilion is scheduled for completion in fall 2015.

Overall Summary

A table summarizing the 2015/16–2017/18 three-year Capital Plan appears on the next page. It includes projects and programs in the design and construction, forecasted, and infrastructure and other categories that are currently active or are anticipated to commence in the next three years.

The expenditures necessary to complete the three-year Capital Plan are anticipated to extend beyond 2017/18. 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 flow based on project and program schedules.

O&M and debt service costs for each project will impact the university's operating 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 beyond the three-year plan. The Capital Plan Impact on Budget table forecasts these budget impacts by area of responsibility (general funds, formula schools, etc.).

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 top chart on page 75 shows, Stanford's Capital Plan relies on several funding sources, including current funds, gifts, and debt. 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 cancelled, 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. "Resources to be identified" are expected to come from a combination of school, department, and university reserves, as well as other sources.

Uses of Funds by Program Category and Project Type

The middle chart on page 75 divides Capital Plan activity into program categories—academic/research, infrastructure and other, academic support, housing, and athletics/student activities—with the largest categories being academic/research, academic support, and housing at 39%, 24%, and 20% of the plan, respectively. The bottom chart breaks out the same activity into project types, including new construction, infrastructure, and renovations.

Capital Plan Constraints

AFFORDABILITY

The incremental internal debt service expected at the completion of all projects commencing in the three-year plan period (completion dates range from 2015/16 to 2019/20) totals $63.8 million annually (excluding debt service for bridge financing the receipt of gifts and operating lease payments). Of this amount, $34.4 million will be serviced by general funds, $17.2 million directly by formula schools (the GSB and the SoM), and $12.2 million by auxiliary and other operations. Service center debt is funded through rates paid by customers and has been allocated 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 $39 million per year. Of this amount, $18 million will be serviced by general funds, $19.5 million by the formula schools, and $1.5 million by auxiliary and other operations. O&M and debt service on capital projects compete directly with other academic program initiatives.

DEBT CAPACITY

As of May 1, 2015, debt available to finance capital projects and faculty mortgages is estimated at $1.2 billion, including $392 million of taxable commercial paper, $271 million of tax-exempt commercial paper, $223 million of unexpended tax-exempt bond proceeds, and $301 million of unexpended taxable bond proceeds. In addition, through fiscal year-end 2014/15 and 2015/16, $96 million in internal amortization proceeds on debt-funded projects will become available to

SUMMARY OF THREE-YEAR CAPITAL PLAN 2015/16–2017/18

[IN MILLIONS OF DOLLARS]

			PROJECT FUNDING SOURCE							ANNUAL CONTINUING COSTS	
				GIFTS		UNIVERSITY DEBT					
	ESTIMATED PROJECT COST	CAPITAL BUDGET 2015/16	CURRENT FUNDS[1]	IN HAND OR PLEDGED	TO BE RAISED	SERVICE CENTER/ AUXILIARY DEBT	ACADEMIC DEBT	OTHER	RESOURCES TO BE IDENTIFIED[2]	DEBT SERVICE	OPERATIONS & MAINTENANCE[3]
Projects in Design & Construction	1,521.9	529.1	317.3	197.9	150.4	208.1	648.2			42.2	32.9
Forecasted Projects	862.0	57.6	90.1	19.2	203.7	97.7	87.2	209.5	154.6	11.2	6.0
Total Construction Plan	2,383.9	586.7	407.4	217.1	354.1	305.8	735.4	209.5	154.6	53.4	38.9
Infrastructure and Other	514.3	187.3	266.7			118.3	129.3			10.4	0.1
Total Three-Year Capital Plan 2015/16–2017/18	**2,898.2**	**774.0**	**674.1**	**217.1**	**354.1**	**424.1**	**864.7**	**209.5**	**154.6**	**63.8**	**39.0**

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

2 Anticipated funding for this category is through a combination of school, department and university reserves and other sources.

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

CAPITAL PLAN CASH FLOWS

[IN MILLIONS OF DOLLARS]

	2014/15 & PRIOR	2015/16	2016/17	2017/18	2018/19 & THEREAFTER	TOTAL
Projects in Design & Construction	229.1	529.1	523.1	206.4	34.1	1,521.9
Forecasted Projects	13.1	57.6	153.1	202.9	435.4	862.0
Total Construction Plan	242.2	586.7	676.2	409.3	469.5	2,383.9
Infrastructure and Other	43.1	187.3	209.8	74.2		514.3
Total Capital Plan Cash Flows	**285.3**	**774.0**	**886.0**	**483.5**	**469.5**	**2,898.2**

CAPITAL PLAN IMPACT ON BUDGET

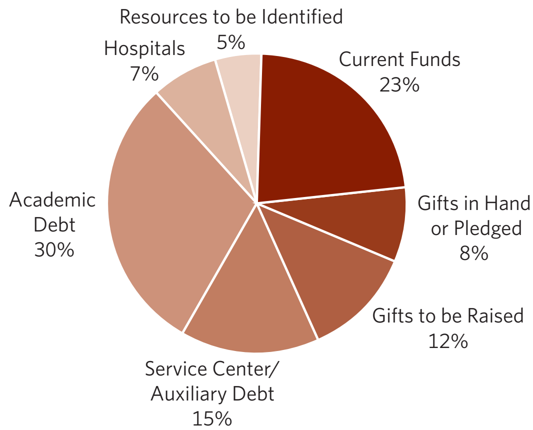
[IN MILLIONS OF DOLLARS]

	2016/17	2017/18	2018/19 & THEREAFTER	TOTAL
Debt Service				
General Funds	3.6	2.2	28.5	34.4
Formula and Other Schools	4.2	0.7	12.3	17.2
Auxiliary	3.5	1.8	5.7	10.9
Other[1]	0.4	0.6	0.3	1.3
Total Debt Service	**11.7**	**5.3**	**46.8**	**63.8**
Operations and Maintenance				
General Funds	3.3		14.7	18.0
Formula and Other Schools	2.6	1.2	15.7	19.5
Auxiliary	0.3		0.1	0.4
Other[1]	1.1			1.1
Total Operations and Maintenance	**7.3**	**1.2**	**30.5**	**39.0**

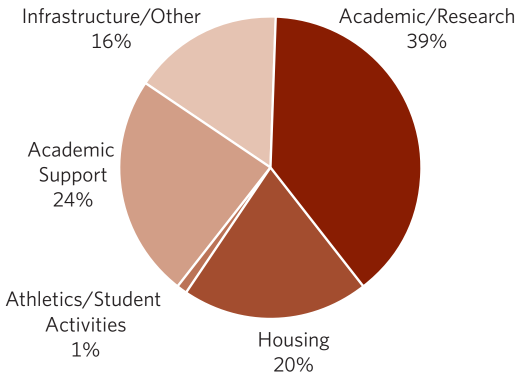
1 Primarily the hospitals along with Forsythe facility, Faculty Staff Housing, and outside entities.

THE CAPITAL PLAN 2015/16–2017/18: $2.9 BILLION

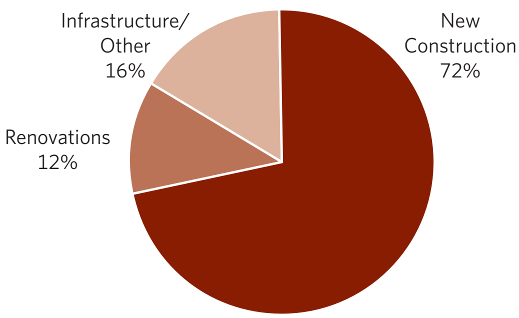
Sources of Funds



Uses of Funds by Program Category



Uses of Funds by Project Type



lend to projects, and $210 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 $1.5 billion of debt for projects under construction or for projects to be approved in or before 2015/16:

- $559 million to complete projects already approved or under construction;
- $690 million for projects to be approved in 2015/16; and
- $248 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. As of May.1, 2015, the portfolio of debt-subsidized mortgages had increased by $9 million to $420 million.

Projects identified in the three-year Capital Plan and to be approved after 2015/16 will require an additional $312 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 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, up to 2,372 new student housing units, and 646 housing units for postdoctoral fellows, medical residents, faculty, and staff.

Conditions of approval included the following:

- Creation of an academic growth boundary to limit the buildable area to the core campus for a minimum of 25 years;
- Approval of a sustainable development study (SDS) before new construction exceeds 1 million gross sf (Santa Clara County approved the SDS in April 2009); and
- Construction of 605 units of housing for each 500,000 gross sf of new academic building.

Given the stringent requirements imposed by the GUP and the increasingly difficult entitlement environment, Stanford carefully manages the allocation of new growth. Construction through 2013/14 accounted for 1.44 million GUP sf. This year's Capital Plan forecasts utilization of 370,179 GUP sf, net of demolitions. With the completion of planned housing projects, including the Highland Hall graduate residences and the Lagunita and Manzanita undergraduate housing, Stanford will have added 2,437 net new housing linkage units since approval of the GUP. This will enable the total new academic and academic support space allowed under the GUP to reach nearly 2 million gross sf.

THE CAPITAL BUDGET, 2015/16

At $774 million, the 2015/16 Capital Budget reflects only a portion of the costs of the projects in the Capital Plan, as most of them span more than one year. The table below highlights the major capital projects for which expenditures under the 2015/16 Capital Budget will be significant, as well as the percentage of each project expected to be complete by the end of 2015/16. The map on page 79 shows visually where these projects will take place.

MAJOR CAPITAL PROJECTS – PERCENT OF COMPLETION 2015/16[1]

[IN MILLIONS OF DOLLARS]

	CAPITAL BUDGET 2015/16	ESTIMATED PROJECT COST	ESTIMATED PERCENT COMPLETE 2015/16
Stanford in Redwood City Phase 1	170.0	543.7	31%
Stanford ChEM-H and the Stanford Neurosciences (Neuro) Institutes	43.5	252.6	24%
California Avenue Faculty Homes (180 units)	103.5	162.0	67%
Anne T. and Robert M. Bass Biology Research Building	13.3	132.6	13%
Highland Hall (200 net new beds)	52.7	75.0	100%
Science Teaching and Learning Center (Old Chemistry)	28.6	66.7	100%
Hoover Institution Conference Center and Office Building	24.2	65.0	56%
Roble Field Garage (1165 spaces)	19.1	50.5	100%
408 Panama Mall Office Building	20.4	49.7	100%
1651 Page Mill Road Renovation	18.8	43.3	100%
New Residences at Lagunita Court (216 new beds)	19.7	42.8	100%
Roble Gymnasium Renovation	11.1	28.0	100%
Total	**525.1**	**1,511.9**	

[1] Includes projects scheduled to be in construction and with forecasted expenditures greater than $10 million in 2015/16.

In 2015/16, LBRE anticipates substantial completion of seven projects with total budgets of $356 million and estimated 2015/16 expenditures of $170.4 million. Highland Hall is a new residential complex that will provide 200 additional beds for GSB students. The rehabilitation of and addition to the Old Chemistry Building will house teaching laboratories and support spaces for the STLC. The Roble Field Garage will provide 1,165 stalls to address parking needs in the west campus area. The 408 Panama Mall Office Building will consolidate a number of smaller administrative and academic units into permanent space and enable the demolition or repurposing of several modular buildings. The renovation of a Stanford Research Park building at 1651 Page Mill Road will be for use by the SoM. The addition of two new residences at Lagunita Court will add 216 new beds for undergraduate students. Finally, the Roble Gymnasium will be renovated for the drama and dance programs.

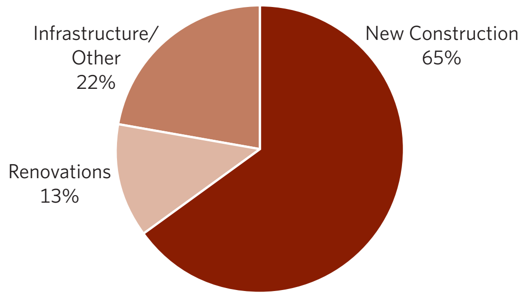
Sources and Uses

The Capital Budget is supported by 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. The university typically allocates CFF or debt funding to projects in the absence of other available funding. The timing of gift receipts, which may be bridge financed, will affect the mix of project funding.

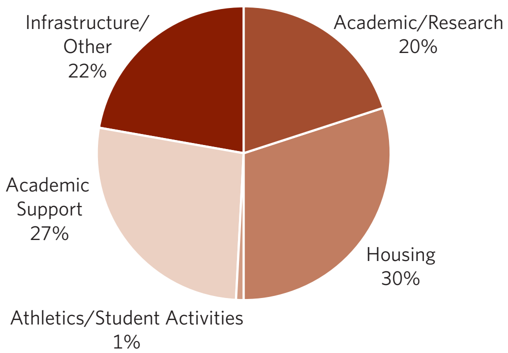
The pie charts on the next page show the uses of funds under the $774 million Capital Budget by project type and program category. Anticipated expenditures of $236.3 million (30%) for housing projects include the California Avenue Faculty Homes, Highland Hall, the new residences at Lagunita Court, and the Housing Acquisition Initiative. Academic/Support projects, forecasted at $209.1 million (27%), include Stanford in Redwood City and the 408 Panama Mall Office Building. Infrastructure and other program investment of $167.1 million (22%) includes the Roble Field Garage, Investment in Plant (planned maintenance), R&DE Major Renovation Plan projects, HV transmission system improvements, and CUP. Academic/Research projects, forecasted at $155.6 million (20%) include the ChEM-H

THE CAPITAL BUDGET 2015/16
$774.0 MILLION

Uses of Funds by Project Type



Uses of Funds by Program Category



CAPITAL FACILITIES FUND (CFF)
Funding Sources and Committed Uses of Funding
[IN MILLIONS OF DOLLARS]

	2014/15	2015/16
Sources of Funding		
Formula Units		
School of Medicine	15.1	16.2
Hoover Institution	4.2	4.4
President's Funds	10.1	10.4
Non-Formula	79.4	83.5
Total Funding	**108.8**	**114.5**
Committed Uses of Funding		
Biomedical Innovation I Building	5.0	
Stone Complex Seismic Bracing	4.5	5.0
School of Medicine Building Maintenance	3.7	3.9
Bioengineering/Chemical Engineering Building	1.9	
855 California Ave TI		2.4
3145 Porter Drive PD2		2.2
Other School of Medicine Strategic Projects		2.8
Hoover Institution Project	4.2	4.4
Projects Funded by President's Funds	10.1	10.4
Formula Units and President's Funds Project Subtotal	**29.4**	**31.0**
Bass Biology Research Building	14.0	
Stanford ChEM-H and Neuro Building	10.4	47.4
SLAC Photon Sciences Lab Building	10.0	
Meyer Library Demolition	8.0	
Stanford in Redwood City Phase 1	3.0	
Other Non-Formula Units Projects	15.5	6.6
Total Commitments	**90.3**	**85.1**
Annual Funding less Commitments	18.5	29.5
Balance at Beginning of Year	28.0	46.5
Uncommitted Balance	46.5	76.0

and Neuro Building, the Bass Biology Building, the STLC, the Hoover Institution Conference Center Building, and the renovations of 1651 Page Mill Road and Roble Gymnasium. Lastly, expenditures for Athletics/Student Activities projects are forecasted at $5.9 million (1%).

In June 2007, the Board of Trustees approved an increase in the target endowment payout rate from 5.0% to 5.5%. The additional payout releases unrestricted funds, which are held in the CFF to support major facilities projects.

Annual transfers to the CFF are projected to be $108.8 million in 2014/15 and $114.5 million in 2015/16, with corresponding commitments of $90.3 million and $85.1 million for these two years. The table above lists projects anticipated to receive CFF funding in 2014/15 and 2015/16.

In general, non-formula CFF funds are allocated to projects that are difficult to support through restricted sources; these allocations thus reduce the call for debt serviced by general funds. Since the beginning of the program in 2007/08, non-formula CFF funds have provided $336.8 million in funding support for over 60 projects and programs. The formula units determine uses of their CFF funds according to their highest priorities.

CAPITAL BUDGET IMPACT ON 2015/16 OPERATIONS

The 2015/16 Consolidated Budget for Operations includes incremental debt service and O&M expenses for projects to be completed in 2015/16 or in 2014/15 but operational for less than 12 months that year.

Capital projects requiring debt are funded from internal loans that are amortized over the asset life in equal installments (principal and interest). 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 is expected to remain at 4.25% for 2015/16.

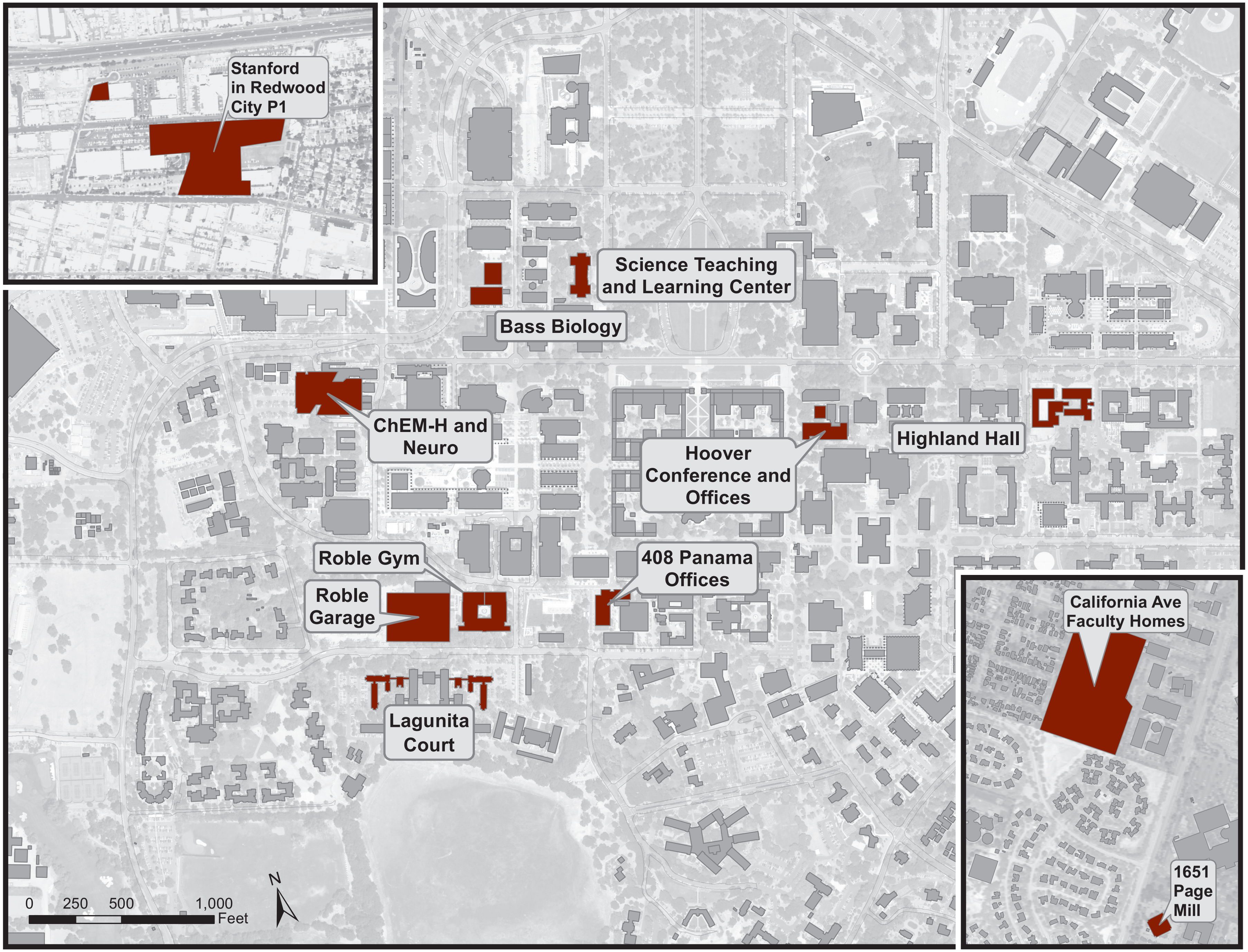
The projected incremental internal debt service funded by unrestricted funds, including formula unit funds, in 2015/16 is $5.1 million. This amount includes additional debt service on the 1651 Page Mill Road Renovation, the 408 Panama Mall Office Building, and smaller capital projects and programs. It is offset by decreases in bridge financing as scheduled payments or gift pledges are made for several university buildings. This additional debt service brings the total annual internal debt service borne by the unrestricted budget to $60.3 million.

Consolidated internal debt service, including that borne by formula units, auxiliaries, service centers, Faculty Staff Housing, and real estate investment, is projected to decrease from $203.4 million to $193.0 million. Additional debt service related to the Rosewood Hotel and Office Complex is not included in the Consolidated Budget for Operations. In addition, annual lease payments for rental properties, largely occupied by the SoM, are projected to be $27.2 million in 2015/16.

In 2015/16, the university will incur about $3 million of incremental O&M costs related to a number of new academic and administrative facilities. They include $1.2 million for the Lathrop Library, $979,000 for the McMurtry Building, $730,000 for the Science Teaching and Learning Center, $360,000 for the C.J. Huang Building, $260,000 for the 408 Panama Mall Office Building, $164,000 for the Roble Field Garage, $120,000 for the Manzanita Undergraduate Dorm, and $105,000 for the Stock Farm Childcare Facility. These costs will be partially offset by planned demolitions of Meyer Library, Cummings Art Building, and Stauffer III Building.

CAPITAL PLAN PROJECT DETAIL

The tables on the following three pages show capital projects in three categories: projects in design and construction, forecasted construction projects, and infrastructure projects and programs.


Stanford in Redwood City P1
Science Teaching and Learning Center
Bass Biology
ChEM-H and Neuro
Hoover Conference and Offices
Highland Hall
Roble Gym
Roble Garage
408 Panama Offices
Lagunita Court
California Ave Faculty Homes
1651 Page Mill
0 250 500 1,000 Feet
N

2015/16–2017/18 CAPITAL PLAN
PROJECTS IN DESIGN & CONSTRUCTION

[IN MILLIONS OF DOLLARS]

					PROJECT FUNDING SOURCE							ANNUAL CONTINUING COSTS	
						GIFTS		UNIVERSITY DEBT					
	SCHOOL/ DEPARTMENT	FISCAL YEAR PROJECT SCHEDULE	ESTIMATED PROJECT COST	CAPITAL BUDGET 2015/16	CURRENT FUNDS[1]	IN HAND OR PLEDGED	TO BE RAISED	SERVICE CENTER/ AUXILIARY DEBT	ACADEMIC DEBT	OTHER	RESOURCES TO BE IDENTIFIED[2]	DEBT SERVICE	OPERATIONS & MAINTENANCE[3]
Stanford in Redwood City Phase 1	PRES/PROV	2015–19	543.7	170.0	5.9			18.3	519.5			32.7	14.1
Stanford ChEM-H and the Stanford Neurosciences (Neuro) Institutes	DOR	2015–18	252.6	43.5	127.6		125.0						7.1
California Avenue Faculty Homes (180 units)[4]	LBRE	2013–18	162.0	103.5				162.0					
Anne T. and Robert M. Bass Biology Research Building													
Bass Biology Building	H&S	2014–19	107.0	9.7	39.5	48.9	7.9		10.7			0.7	3.5
Connective Elements	H&S	2014–19	4.5	0.4		4.5							
Central Loading Dock and Stauffer III Demolition	H&S	2015–18	21.1	3.2	1.1				20.0			1.2	(0.2)
Highland Hall (200 net new beds)	GSB	2014–16	75.0	52.7	15.0	16.0	14.0		30.0			1.8	2.1
Science Teaching and Learning Center (Old Chemistry)	H&S	2013–16	66.7	28.6	28.9	30.0	3.5		4.3			0.3	2.0
Hoover Institution Conference Center and Office Building													
Conference Center Building	HOOVER	2015–17	57.5	21.4		57.5							1.2
Connective Elements	HOOVER	2015–17	7.5	2.8		7.5							
Roble Field Garage (1165 spaces)	LBRE	2014–16	50.5	19.1	50.5								1.1
408 Panama Mall Office Building	PRES/PROV	2013–16	49.7	20.4		18.5			31.2			1.9	1.2
1651 Page Mill Road Renovation	SOM	2014–16	43.3	18.8	10.8				32.5			2.0	0.5
New Residences at Lagunita Court (216 new beds)	R&DE	2013–16	42.8	19.7		15.0		27.8				1.7	0.3
Roble Gymnasium Renovation	H&S	2014–16	28.0	11.1	28.0								
Durand Renovation - Phase 4	SOE	2008–17	10.0	4.1	10.0								
Subtotal - Projects in Design & Construction			**1,521.9**	**529.1**	**317.3**	**197.9**	**150.4**	**208.1**	**648.2**			**42.2**	**32.9**

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

[2] Anticipated funding for this category is through a combination of school, department and university reserves and other sources.

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

[4] California Avenue Faculty Homes debt will be paid off by sales proceeds.

2015/16–2017/18 CAPITAL PLAN
FORECASTED CONSTRUCTION PROJECTS

[IN MILLIONS OF DOLLARS]

					PROJECT FUNDING SOURCE							ANNUAL CONTINUING COSTS	
						GIFTS		UNIVERSITY DEBT					
	SCHOOL/ DEPARTMENT	FISCAL YEAR PROJECT SCHEDULE	ESTIMATED PROJECT COST	CAPITAL BUDGET 2015/16	CURRENT FUNDS[1]	IN HAND OR PLEDGED	TO BE RAISED	SERVICE CENTER/ AUXILIARY DEBT	ACADEMIC DEBT	OTHER	RESOURCES TO BE IDENTIFIED[2]	DEBT SERVICE	OPERATIONS & MAINTENANCE[3]
Clinical Excellence Center 1 (CEC 1)[4]													
Building	SOM	2016–20	166.0	6.2						166.0			2.0
Underground Parking (1058 spaces)	SOM	2016–20	56.6	2.1	20.6					36.0			1.2
Replacement Child Care Facility	SOM	2016–20	7.5	0.3						7.5			0.2
Biomedical Innovation Building and Tunnel (on former FIM 1 site)	SOM	2016–20	200.8	2.2	25.4		150.0		25.4			1.5	4.2
Earth, Energy & Environmental Sciences Building	SE3	2017–20	128.1	1.3					40.0		88.1	2.4	3.7
Rains Houses Renovations (Phases 1B, 1C, 2A - 2F)	R&DE	2015–18	54.7	8.5				54.7				3.3	
Hoover Campus Renovations	HOOVER	2016–18	35.0	1.9							35.0		
Governor's Corner Renovation - Sterling Quad (Phases 1 & 2)	R&DE	2017–18	31.0	2.3				31.0				1.9	
Frost Amphitheater Improvements	PRES/PROV	2015–17	25.0	1.8			25.0						
Environmental Health & Safety Facility Expansion	DOR	2016–19	17.6	1.0					17.6			1.1	0.4
Encina Renovation (FSI International Initiative)	DOR	2016–18	17.0	0.7	3.0	8.5	5.5						
Public Safety Building	PRES/PROV	2016–19	17.0	0.4	17.0								0.4
Kingscote Renovation	LBRE	2016–17	16.6	7.4							16.6		
Demolition of Herrin Lab/Herrin Hall/Organic Chem/Mudd	H&S	2016–20	13.1	0.7	8.9	4.2							(6.6)
Roble Dining Hall Refurbishment	R&DE	2016–17	12.0	5.5				12.0				0.7	
Schwab Residential Center Renovations	GSB	2016–17	10.0	4.6	10.0								
Home of Champions and Hall of Fame Area Relocation	DAPER	2016–17	9.0	3.9			9.0						
Cubberley Building Seismic Renovation Phase 2	GSE	2016–18	8.6	0.5	2.2	6.4							
Golf Course Redesign and Program Improvements	DAPER	2014–19	7.8	2.0		0.1	7.7						0.1
Crown Quadrangle Renovation–Second Floor and Basement	SLS	2016–18	6.5	0.2			6.5						
New Child Care Facility	UHR	2016–18	6.3	0.3							6.3		0.1
Forsythe Data Center Phase 4 Power and Cooling Upgrade	BA	2013–17	5.6	1.4	1.4				4.2			0.3	
Geballe Laboratory for Advanced Materials (GLAM) Infill Building	DOR	2016–18	5.6	0.2	1.6						4.0		0.3
Building 60 Physics Teaching Lab	H&S	2016–17	4.6	2.1							4.6		
Subtotal - Forecasted Projects			**862.0**	**57.6**	**90.1**	**19.2**	**203.7**	**97.7**	**87.2**	**209.5**	**154.6**	**11.2**	**6.0**
SUBTOTAL - CONSTRUCTION PLAN			**2,383.9**	**586.7**	**407.4**	**217.1**	**354.1**	**305.8**	**735.4**	**209.5**	**154.6**	**53.4**	**38.9**

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

2 Anticipated funding for this category is through a combination of school, department and university reserves and other sources.

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

4 Anticipated funding from SHC and LPCH.

2015/16–2017/18 CAPITAL PLAN
INFRASTRUCTURE AND OTHER

[IN MILLIONS OF DOLLARS]

					PROJECT FUNDING SOURCE							ANNUAL CONTINUING COSTS	
						GIFTS		UNIVERSITY DEBT					
	SCHOOL/ DEPARTMENT	FISCAL YEAR PROJECT SCHEDULE	ESTIMATED PROJECT COST	CAPITAL BUDGET 2015/16	CURRENT FUNDS[1]	IN HAND OR PLEDGED	TO BE RAISED	SERVICE CENTER/ AUXILIARY DEBT	ACADEMIC DEBT	OTHER	RESOURCES TO BE IDENTIFIED[2]	DEBT SERVICE	OPERATIONS & MAINTENANCE[3]
Housing Acquisition Initiative	LBRE	2015–17	200.0	44.1	100.0				100.0				
Investment in Plant (Planned Maintenance)													
Non-Formula/Admin	LBRE	2016–18	57.8	20.7	57.8								
Formula	SOM	2016–18	19.8	6.4	19.8								
R&DE (SHARP/DARP/HARP)[4]	R&DE	2016–18	53.3	15.7	53.3								
DAPER	DAPER	2016–18	9.8	9.8	9.8								
Subtotal-Investment in Plant (Planned Maintenance)			140.7	52.6	140.7								
R&DE Major Renovation Plan[4]	R&DE	2016–18	41.3	26.9				41.3				2.5	
High Voltage Transmission System Improvements	LBRE	2015–17	40.3	25.0				40.3				2.5	
Capital Utilities Program (CUP)													
System Expansion	LBRE	2016–18	19.0	7.5				19.0				1.2	
System Replacement	LBRE	2016–18	14.7	6.4				14.7				0.9	
Subtotal-CUP			33.7	13.9				33.7				2.1	
Stanford Infrastructure Program (SIP)	LBRE	2016–18	16.8	5.7	16.8								
Whole Building Energy Retrofit Program Group 2	Various	2016–18	13.8	7.2					13.8			1.0	
Information Technology and Communications Systems	BA	2016–18	13.1	5.5				3.0	10.1			1.8	
Campus Drive Roundabouts													
Bowdoin	LBRE	2015–16	2.0	1.0	2.0								
Santa Teresa	LBRE	2015–16	2.0	1.0	2.0								
Galvez	LBRE	2016–17	3.0	2.0	3.0								
Storm Drainage	LBRE	2016–18	5.4	1.9					5.4			0.5	0.1
GUP Mitigation Water-Related Programs	LBRE	2016–18	2.2	0.5	2.2								
Subtotal - Infrastructure and Other			**514.3**	**187.3**	**266.7**			**118.3**	**129.3**			**10.4**	**0.1**
TOTAL CAPITAL PLAN			**2,898.2**	**774.0**	**674.1**	**217.1**	**354.1**	**424.1**	**864.7**	**209.5**	**154.6**	**63.8**	**39.0**

[1] Includes funds from university and school reserves and the GUP and SIP programs. Also includes Tier II contribution for the Housing Acquisition Initiative.

[2] Anticipated funding for this category is through a combination of school, department and university reserves and other sources.

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

[4] R&DE Major Renovation Plan projects generally includes program and code upgrades vs. Planned Maintenance which includes subsystem replacement.

APPENDIX A

CONSOLIDATED BUDGETS FOR SELECTED UNITS

- Consolidated Budget for Operations by Unit, 2015/16
- Summary of 2015/16 General Funds Allocations (Excludes Formula Units)

Consolidated Budget for Operations by Selected Units, 2015/16

Academic Units

- Graduate School of Business
- School of Earth, Energy & Environmental Sciences
- Graduate School of Education
- School of Engineering
- School of Humanities and Sciences
- School of Law
- School of Medicine
- Vice Provost and Dean of Research
- Vice Provost for Undergraduate Education
- Vice Provost for Graduate Education
- Vice Provost for Teaching and Learning
- Hoover Institution
- Stanford University Libraries

Auxiliary Units

- Athletics
- Residential & Dining Enterprises

CONSOLIDATED BUDGET FOR OPERATIONS BY UNIT, 2015/16

[IN MILLIONS OF DOLLARS]

	TOTAL REVENUES AND TRANSFERS	TOTAL EXPENSES	RESULT OF CURRENT OPERATIONS	TRANSFERS (TO)/FROM ASSETS	CHANGE IN EXPENDABLE FUND BALANCE
Academic Units:					
Graduate School of Business[1]	236.6	236.1	0.5	(8.0)	(7.5)
School of Earth, Energy & Environmental Sciences	70.2	66.4	3.8	(1.5)	2.3
Graduate School of Education	68.0	68.2	(0.3)	(0.6)	(0.9)
School of Engineering	409.7	395.7	14.0	(5.9)	8.1
School of Humanities and Sciences[1]	487.0	473.3	13.8	2.2	16.0
School of Law	88.2	81.8	6.3	(6.0)	0.3
School of Medicine[1]	2,004.9	1,854.7	150.2	(24.9)	125.3
Vice Provost and Dean of Research	215.8	217.1	(1.3)	(2.7)	(4.0)
Vice Provost for Undergraduate Education[1]	48.6	49.6	(1.0)	0.0	(1.0)
Vice Provost for Graduate Education	8.0	10.0	(2.0)	(0.5)	(2.5)
Vice Provost for Teaching and Learning	16.6	16.6	0.0	0.0	0.0
Hoover Institution	60.7	61.1	(0.4)	(1.1)	(1.5)
Stanford University Libraries[1]	84.3	84.5	(0.2)	0.0	(0.2)
SLAC	513.7	510.8	2.9	0.0	2.9
Total Academic Units	**4,312.2**	**4,125.9**	**186.4**	**(48.9)**	**137.4**
Administrative Units					
Business Affairs	214.8	217.8	(3.0)	(1.8)	(4.8)
Development	75.3	76.7	(1.4)	0.0	(1.4)
General Counsel & Public Safety	36.3	36.7	(0.4)	0.0	(0.4)
Land, Buildings and Real Estate	325.7	311.7	13.9	(5.7)	8.3
President and Provost Office	84.9	85.1	(0.3)	0.5	0.3
Public Affairs	12.1	11.9	0.2	0.0	0.2
Stanford Alumni Association	46.5	47.1	(0.5)	0.1	(0.5)
Stanford Management Company	45.7	45.7	0.0	0.0	0.0
Student Affairs[1]	68.2	69.5	(1.2)		(1.2)
Undergraduate Admission and Financial Aid	181.6	181.3	0.4	0.0	0.4
University Human Resources	12.8	13.5	(0.7)	0.0	(0.7)
Major Auxiliary Units					
Athletics (Operations and Financial Aid)	123.7	123.7	0.0	0.0	0.0
Residential & Dining Enterprises	222.1	225.2	(3.1)	0.0	(3.1)
Total Administrative & Auxiliary Units	**1,449.7**	**1,445.7**	**4.0**	**(6.8)**	**(2.9)**
Internal Transaction Adjustment[2]	(406.1)	(365.8)	(40.3)	49.7	9.4
Indirect Cost Adjustment[3]	(241.5)	(241.5)	0.0	0.0	0.0
Grand Total from Units	**5,114.3**	**4,964.2**	**150.0**	**(6.0)**	**144.0**
Central Accounts[4]	335.9	148.6	187.3	(193.3)	(5.9)
Central Adjustment[5]	52.0	30.1	21.9	(32.1)	(10.2)
Total Consolidated Budget	**5,502.2**	**5,142.9**	**359.3**	**(231.4)**	**127.9**

Notes:

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

[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 transferred to the university as expenditures occur. At that point, indirect cost recovery becomes part of unrestricted income for the university. In order not to double count, indirect cost recovery of $241.5 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 projection. The $52.0 million of net revenue and $32.1 million of net asset transfer are based on historical experience and reflect the expectation that the university will receive additional unrestricted and/or restricted income and reinvest unspent payout and/or fund balances to endowment principal that cannot be specifically identified by units at this time.

SUMMARY OF 2015/16 BASE GENERAL FUNDS ALLOCATIONS (EXCLUDES FORMULA UNITS)

[IN THOUSANDS OF DOLLARS]

	2014/15 GF ALLOCATION	PRICE & SALARY INFLATION	PROGRAMMATIC ADDITIONS	2015/16 GF ALLOCATION	2014/15 TO 2015/16 CHANGE	PERCENT CHANGE
School of Earth, Energy, and Environmental Sciences	9,249	330	115	9,695	445	4.8%
Graduate School of Education	16,152	557	278	16,987	835	5.2%
School of Engineering	72,495	2,488	783	75,766	3,271	4.5%
School of Humanities & Sciences	169,419	5,866	1,614	176,899	7,480	4.4%
School of Law	27,748	953	925	29,626	1,878	6.8%
Vice Provost and Dean of Research	41,157	1,359	993	43,509	2,352	5.7%
Vice Provost for Graduate Education	7,310	279		7,589	279	3.8%
Vice Provost for Undergraduate Education	19,874	647	437	20,958	1,084	5.5%
Vice Provost for Teaching and Learning	5,396	193	1,378	6,966	1,570	29.1%
Stanford University Libraries	48,415	1,554	636	50,605	2,191	4.5%
Total - Academic[1]	**417,215**	**14,228**	**7,158**	**438,601**	**21,386**	**5.1%**
Admission and Financial Aid Operations	10,332	344		10,676	344	3.3%
Student Affairs	33,680	1,229	676	35,585	1,905	5.7%
Office of the President & Provost	13,648	458	130	14,236	588	4.3%
Office of Public Affairs	7,863	270	375	8,509	645	8.2%
Business Affairs[2]	114,021	3,860	619	118,500	4,479	3.9%
University Human Resources	10,899	370		11,269	370	3.4%
Office of Development	40,384	1,429	28	41,841	1,457	3.6%
Alumni Association	10,581	310	270	11,161	580	5.5%
Land, Buildings and Real Estate[3]	16,025	321		16,346	321	2.0%
Other Administrative Units[4]	26,558	837	144	27,539	981	3.7%
Central Obligations[5]	37,835	3,056	550	41,440	3,606	9.5%
Total - Administrative	**321,827**	**12,484**	**2,792**	**337,102**	**15,276**	**4.7%**
Undergraduate Financial Aid	24,817	(6,383)	4,950	23,383	(1,433)	−5.8%
O&M and Utilities	107,225	728	2,311	110,263	3,039	2.8%
Debt Service	34,402	1,487		35,888	1,487	4.3%
Capital Facilities Fund	78,580		3,615	82,195	3,615	4.6%
University Reserves	30,000			30,000		0.0%
Total - Other Allocations	**275,023**	**(4,169)**	**10,876**	**281,731**	**6,707**	**2.4%**
Total Non-Formula Allocations	**1,014,064**	**22,543**	**20,826**	**1,057,434**	**43,369**	**4.3%**
Unallocated Surplus	19,110			24,947	5,837	30.5%
Total Non-Formula General Funds	**1,033,174**	**22,543**	**20,826**	**1,082,380**	**49,206**	**4.8%**

NOTES:

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

2 For this table, property and general insurance allocations have been moved from Business Affairs to Central Obligations.

3 For this table, operations and maintenance (O&M) and utilities allocations have been moved from Land, Buildings and Real Estate to Other Allocations.

4 Other Administrative Units include general funds allocations for General Counsel, Hoover, SLAC, Athletics, Stanford University Press, and the Stanford Faculty Club. However, the fire contract allocation has been moved from this line to Central Obligations.

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

GRADUATE SCHOOL OF BUSINESS
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
55,649	59,141	General Funds Allocation	61,995						61,995
145,340	158,417	Restricted Revenues	56	62,328	26,315	78,057	1,000	3,259	171,015
5,519	4,872	Internal Revenue	1,711	62				3,320	5,093
1,732	(966)	Operating Transfers	142,603	(38,246)	(26,415)	(78,036)		(1,428)	(1,521)
208,240	**221,464**	**Total Revenues**	**206,366**	**24,145**	**(100)**	**21**	**1,000**	**5,151**	**236,582**
		Expenses							
49,164	53,879	Academic Salaries	49,748	7,183			332		57,263
39,219	42,748	Staff Salaries	42,482	3,954	61		25	1,216	47,738
28,378	32,979	Benefits & Other Compensation	31,468	3,625	226		129	416	35,864
59,998	70,767	Non-Salary Expenses	69,232	5,783	135		512	1,282	76,944
19,385	17,911	Internal Expenses	9,434	6,090	425		1	2,303	18,254
196,144	**218,283**	**Total Expenses**	**202,366**	**26,635**	**846**	**0**	**1,000**	**5,216**	**236,062**
12,096	**3,181**	**Operating Results**	**4,000**	**(2,490)**	**(946)**	**21**	**0**	**(65)**	**519**
(15,655)	(10,752)	Transfers From (to) Endowment & Other Assets		(5,000)	1,000				(4,000)
	(3,957)	Transfers From (to) Plant	(4,000)						(4,000)
(3,559)	**(11,528)**	**Surplus / (Deficit)**	**0**	**(7,490)**	**54**	**21**	**0**	**(65)**	**(7,481)**
94,918	91,359	Beginning Fund Balances	1,000	44,541	31,946	2,279		65	79,831
91,359	79,831	Ending Fund Balances	1,000	37,051	32,000	2,300			72,351

Notes:
- This schedule does not include endowment principal, student loan funds, or plant funds.
- 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.

SCHOOL OF EARTH, ENERGY & ENVIRONMENTAL SCIENCES
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
10,806	10,367	General Funds Allocation	10,868						10,868
50,212	50,718	Restricted Revenues		9,450	2,500	27,548	13,396		52,894
(193)	(193)	Internal Revenue		(193)					(193)
4,457	7,848	Operating Transfers	25,659	2,895	3,165	(26,827)	1,780		6,672
65,282	**68,740**	**Total Revenues**	**36,527**	**12,152**	**5,665**	**721**	**15,176**		**70,241**
		Expenses							
24,099	24,875	Academic Salaries	14,771	4,400	901	954	5,097		26,122
6,532	7,055	Staff Salaries	6,781	627	57	40	156		7,661
12,025	12,897	Benefits & Other Compensation	8,594	1,603	867	468	2,110		13,642
15,683	15,553	Non-Salary Expenses	4,668	2,849	825	169	7,709		16,220
2,585	2,556	Internal Expenses	1,713	448	345	163	105		2,774
60,924	**62,936**	**Total Expenses**	**36,527**	**9,927**	**2,995**	**1,793**	**15,176**		**66,418**
4,357	**5,804**	**Operating Results**		**2,225**	**2,671**	**(1,072)**	**0**		**3,823**
(114)	108	Transfers From (to) Endowment & Other Assets							
	(1,000)	Transfers From (to) Plant			(1,500)				(1,500)
4,244	**4,912**	**Surplus / (Deficit)**	**0**	**2,225**	**1,171**	**(1,072)**	**0**		**2,323**
49,959	54,203	Beginning Fund Balances	148	18,732	22,984	17,250			59,115
54,203	59,115	Ending Fund Balances	148	20,957	24,155	16,178			61,438

Notes:

- This schedule does not reflect an allocation of tuition revenue or central administrative costs. This is consistent with Stanford's policy for those units not operating under a formula arrangement.
- This schedule does not include endowment principal, student loan funds, or plant funds.
- The general funds allocation shown in this schedule includes one-time allocations (including tuition allowance) and therefore will not match the base figure shown in the table on page 85.
- 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.

GRADUATE SCHOOL OF EDUCATION
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
16,584	17,766	General Funds Allocation	18,464						18,464
46,574	45,962	Restricted Revenues		3,869	7,563	12,066	24,849		48,347
(16)	(403)	Internal Revenue		(309)	(228)	(101)			(638)
1,550	2,432	Operating Transfers	11,030	2,575	(2,850)	(8,963)			1,792
64,692	**65,757**	**Total Revenues**	**29,494**	**6,134**	**4,485**	**3,002**	**24,849**		**67,965**
		Expenses							
16,480	17,455	Academic Salaries	11,777	1,087	780	192	5,193		19,029
14,197	15,205	Staff Salaries	5,980	1,709	1,097	822	6,089		15,697
10,140	11,374	Benefits & Other Compensation	6,250	1,042	621	426	4,081		12,422
18,000	19,729	Non-Salary Expenses	4,927	2,195	2,420	601	9,458		19,601
1,699	1,432	Internal Expenses	461	205	632	142	28		1,467
60,515	**65,194**	**Total Expenses**	**29,396**	**6,238**	**5,550**	**2,184**	**24,849**		**68,216**
4,177	**563**	**Operating Results**	**99**	**(104)**	**(1,064)**	**818**	**0**		**(251)**
224	(670)	Transfers From (to) Endowment & Other Assets			500	(1,120)			(620)
		Transfers From (to) Plant							
4,401	**(107)**	**Surplus / (Deficit)**	**99**	**(104)**	**(564)**	**(302)**	**0**		**(871)**
37,636	42,037	Beginning Fund Balances	808	20,777	15,375	4,970			41,930
42,037	41,930	Ending Fund Balances	907	20,674	14,811	4,667			41,059

Notes:

- This schedule does not include endowment principal, student loan funds, or plant funds.
- 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 general funds allocation shown in this schedule includes one-time allocations (including tuition allowance) and therefore will not match the base figure shown in the table on page 85.

SCHOOL OF ENGINEERING
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
75,865	83,911	General Funds Allocation	85,963						85,963
284,450	287,775	Restricted Revenues		65,260	28,740	56,748	143,874		294,622
938	672	Internal Revenue		(725)				1,400	675
28,244	24,001	Operating Transfers	40,264	7,818	3,804	(29,775)	6,346		28,457
389,497	**396,359**	**Total Revenues**	**126,227**	**72,352**	**32,544**	**26,972**	**150,221**	**1,400**	**409,716**
		Expenses							
108,469	113,824	Academic Salaries	45,587	17,045	7,163	3,074	44,794		117,663
35,583	38,572	Staff Salaries	21,936	10,190	1,510	1,004	4,194	908	39,742
56,132	62,692	Benefits & Other Compensation	31,807	8,630	3,423	1,405	18,428	279	63,972
151,827	159,032	Non-Salary Expenses	21,286	29,572	9,764	17,469	81,915	100	160,106
17,735	16,933	Internal Expenses	5,611	3,909	3,025	778	890	15	14,228
369,747	**391,052**	**Total Expenses**	**126,227**	**69,346**	**24,885**	**23,729**	**150,221**	**1,302**	**395,710**
19,750	**5,306**	**Operating Results**	**0**	**3,006**	**7,659**	**3,243**	**0**	**98**	**14,006**
(8,282)	(545)	Transfers From (to) Endowment & Other Assets		(40)	(800)	(1,500)			(740)
	(9,619)	Transfers From (to) Plant	(150)	(3,300)	(1,200)	(500)			(5,150)
11,468	**(4,858)**	**Surplus / (Deficit)**	**(150)**	**(334)**	**7,259**	**1,243**	**0**	**98**	**8,116**
250,270	261,738	Beginning Fund Balances	(1,921)	112,534	97,377	48,770		120	256,880
261,738	256,880	Ending Fund Balances	(2,071)	112,200	104,636	50,013		218	264,996

Notes:
- This schedule does not include endowment principal, student loan funds, or plant funds.
- 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 general funds allocation shown in this schedule includes one-time allocations (including tuition allowance) and therefore will not match the base figure shown in the table on page 85.

SCHOOL OF HUMANITIES AND SCIENCES
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
174,475	177,405	General Funds Allocation	183,088						183,088
245,220	256,284	Restricted Revenues	115	6,674	16,994	158,852	74,522	5,299	262,456
3,444	1,927	Internal Revenue	21	475	1			1,455	1,952
31,561	34,129	Operating Transfers	150,184	32,026	435	(145,796)	1,891	800	39,540
454,700	**469,745**	**Total Revenues**	**333,408**	**39,176**	**17,431**	**13,056**	**76,413**	**7,554**	**487,036**
		Expenses							
157,722	166,217	Academic Salaries	128,858	16,711	2,818	1,458	23,290	107	173,242
50,402	53,405	Staff Salaries	44,384	1,882	788	163	3,998	4,120	55,335
74,881	81,877	Benefits & Other Compensation	65,372	7,415	2,040	591	8,989	1,401	85,807
134,552	134,648	Non-Salary Expenses	77,143	13,126	7,095	2,565	38,522	1,525	139,975
18,390	18,335	Internal Expenses	13,606	1,307	1,659	416	1,614	292	18,893
435,948	**454,482**	**Total Expenses**	**329,363**	**40,440**	**14,399**	**5,192**	**76,413**	**7,445**	**473,251**
18,752	**15,263**	**Operating Results**	**4,045**	**(1,264)**	**3,031**	**7,864**	**0**	**109**	**13,786**
(42,213)	(2,093)	Transfers From (to) Endowment & Other Assets		117	1,180	(3,500)			(2,203)
	(7,428)	Transfers From (to) Plant	(5,484)	9,910					4,426
(23,461)	**5,742**	**Surplus / (Deficit)**	**(1,439)**	**8,763**	**4,211**	**4,364**	**0**	**109**	**16,008**
278,741	255,280	Beginning Fund Balances	5,347	106,334	79,678	69,575		87	261,022
255,280	261,022	Ending Fund Balances	3,908	115,097	83,890	73,939		196	277,030

Notes:
- This schedule does not include endowment principal, student loan funds, or plant funds.
- 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 general funds allocation shown in this schedule includes one-time allocations (including tuition allowance) and therefore will not match the base figure shown in the table on page 85.

SCHOOL OF LAW
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
28,523	29,486	General Funds Allocation	31,402						31,402
52,280	55,793	Restricted Revenues		4,460	11,552	39,578	2,373		57,963
(192)	(190)	Internal Revenue		(192)					(192)
(1,139)	(962)	Operating Transfers	45,296	(2,910)	(8,833)	(34,538)			(985)
79,472	**84,127**	**Total Revenues**	**76,698**	**1,358**	**2,719**	**5,040**	**2,373**		**88,188**
		Expenses							
26,319	29,506	Academic Salaries	30,263	159	64	200	440		31,126
11,697	12,469	Staff Salaries	12,610	16	20	53	227		12,926
11,856	13,600	Benefits & Other Compensation	13,869	66	97	92	201		14,326
17,043	19,480	Non-Salary Expenses	16,906	775	297	565	1,502		20,045
3,255	3,466	Internal Expenses	3,050	140	90	142	3		3,424
70,169	**78,521**	**Total Expenses**	**76,698**	**1,156**	**568**	**1,052**	**2,373**		**81,847**
9,302	**5,606**	**Operating Results**	**0**	**202**	**2,151**	**3,988**	**0**		**6,341**
(6,785)	(4,700)	Transfers From (to) Endowment & Other Assets			(1,500)	(3,850)			(5,350)
	(600)	Transfers From (to) Plant		(150)	(500)				(650)
2,518	**306**	**Surplus / (Deficit)**	**0**	**52**	**151**	**138**	**0**		**341**
21,627	24,145	Beginning Fund Balances	612	1,887	21,316	635			24,451
24,145	24,451	Ending Fund Balances	612	1,939	21,467	773			24,792

Notes:
- This schedule does not include endowment principal, student loan funds, or plant funds.
- 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 general funds allocation shown in this schedule includes one-time allocations (including tuition allowance) and therefore will not match the base figure shown in the table on page 85.

SCHOOL OF MEDICINE
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	DESIGNATED CLINIC	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues								
90,298	90,638	General Funds Allocation	99,777							99,777
1,555,359	1,803,627	Restricted Revenues		142,600	771,464	119,946	164,697	570,202	64,708	1,833,617
83,868	71,495	Internal Revenue		31,965	50	257			33,840	66,112
3,779	6,630	Operating Transfers	148,944	98,305	(179,606)	(2,833)	(48,496)	(3,943)	(7,022)	5,349
1,733,304	**1,972,390**	**Total Revenues**	**248,721**	**272,869**	**591,908**	**117,370**	**116,200**	**566,260**	**91,526**	**2,004,855**
		Expenses								
462,897	505,492	Academic Salaries	23,613	40,951	262,941	29,018	25,625	153,064	9,500	544,712
175,362	192,299	Staff Salaries	55,721	21,935	42,317	13,213	8,468	31,438	29,903	202,996
314,550	400,120	Benefits & Other Compensation	31,329	27,765	255,482	15,007	12,997	55,436	12,807	410,822
511,432	553,168	Non-Salary Expenses	84,834	56,438	23,204	36,289	30,809	300,067	36,411	568,051
139,486	130,564	Internal Expenses	53,224	16,053	7,964	14,106	7,358	26,255	3,165	128,124
1,603,727	**1,781,642**	**Total Expenses**	**248,721**	**163,141**	**591,908**	**107,632**	**85,257**	**566,260**	**91,785**	**1,854,704**
129,577	**190,748**	**Operating Results**	**0**	**109,728**	**0**	**9,738**	**30,943**	**0**	**(259)**	**150,151**
(28,109)	(11,810)	Transfers From (to) Endowment & Other Assets		(9,475)		1,330	(900)			(9,045)
(23,819)	(19,227)	Transfers From (to) Plant		(15,590)			(250)			(15,840)
77,649	**159,711**	**Surplus / (Deficit)**	**0**	**84,663**	**0**	**11,068**	**29,793**	**0**	**(259)**	**125,265**
769,087	846,736	Beginning Fund Balances	73	456,755	47,144	337,307	165,168	0	1	1,006,447
846,736	1,006,447	Ending Fund Balances	73	541,418	47,144	348,376	194,961	0	(258)	1,131,713

Notes:
- This schedule does not include endowment principal, student loan funds, or plant funds.
- 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.

VICE PROVOST AND DEAN OF RESEARCH
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
42,936	46,688	General Funds Allocation	46,019	2,500					48,519
142,408	159,687	Restricted Revenues	2,139	10,038	24,503	31,034	75,356	63	143,133
8,149	8,418	Internal Revenue	3,210	482				5,050	8,742
22,425	13,899	Operating Transfers	41,934	7,132	(13,500)	(14,250)	(5,925)		15,390
215,918	**228,691**	**Total Revenues**	**93,302**	**20,151**	**11,003**	**16,784**	**69,431**	**5,112**	**215,784**
		Expenses							
42,220	44,788	Academic Salaries	11,577	3,089	4,375	5,377	15,537	2,064	42,019
42,318	44,336	Staff Salaries	34,485	3,562	1,921	1,702	3,555	411	45,636
27,256	30,028	Benefits & Other Compensation	15,660	2,485	2,374	2,383	6,874	810	30,586
81,131	84,291	Non-Salary Expenses	20,084	7,791	9,592	5,735	41,624	1,552	86,378
11,229	12,154	Internal Expenses	5,963	1,336	1,927	1,358	1,842	45	12,472
204,154	**215,597**	**Total Expenses**	**87,769**	**18,263**	**20,189**	**16,556**	**69,431**	**4,882**	**217,091**
11,764	**13,095**	**Operating Results**	**5,533**	**1,888**	**(9,187)**	**228**	**0**	**230**	**(1,308)**
10,252	7,134	Transfers From (to) Endowment & Other Assets			500	3,250			3,750
	(3,400)	Transfers From (to) Plant	(6,000)	(425)					(6,425)
22,016	**16,828**	**Surplus / (Deficit)**	**(467)**	**1,463**	**(8,687)**	**3,478**	**0**	**230**	**(3,983)**
141,573	163,589	Beginning Fund Balances	2,380	85,548	61,424	30,885		179	180,417
163,589	180,417	Ending Fund Balances	1,913	87,011	52,738	34,363		410	176,434

Notes:

- This schedule does not include endowment principal, student loan funds, or plant funds.
- 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 general funds allocation shown in this schedule includes one-time allocations and therefore will not match the base figure shown in the table on page 85.

VICE PROVOST FOR UNDERGRADUATE EDUCATION
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
15,136	18,732	General Funds Allocation	23,310						23,310
35,767	37,180	Restricted Revenues	755	773	3,334	30,381		3,928	39,172
(43)	(63)	Internal Revenue		(50)					(50)
(7,730)	(10,804)	Operating Transfers	22,295	(395)	(3,239)	(31,549)		(928)	(13,817)
43,129	**45,046**	**Total Revenues**	**46,360**	**328**	**95**	**(1,169)**	**0**	**3,000**	**48,615**
		Expenses							
6,538	7,504	Academic Salaries	8,707						8,707
12,052	12,380	Staff Salaries	12,843						12,843
6,309	6,946	Benefits & Other Compensation	7,276						7,276
14,836	17,536	Non-Salary Expenses	15,855		227			3,000	19,082
2,194	1,619	Internal Expenses	1,680		1				1,681
41,929	**45,986**	**Total Expenses**	**46,360**	**0**	**228**	**0**	**0**	**3,000**	**49,588**
1,201	**(940)**	**Operating Results**	**0**	**328**	**(133)**	**(1,169)**	**0**	**0**	**(974)**
(1,122)		Transfers From (to) Endowment & Other Assets							
	(1,012)	Transfers From (to) Plant							
78	**(1,952)**	**Surplus / (Deficit)**	**0**	**328**	**(133)**	**(1,169)**	**0**	**0**	**(974)**
20,079	20,157	Beginning Fund Balances		5,394	3,985	8,827			18,205
20,157	18,205	Ending Fund Balances		5,722	3,852	7,658			17,232

Notes:

- This schedule does not include endowment principal, student loan funds, or plant funds.
- The general funds allocation shown in this schedule includes one-time allocations (including tuition allowance) and therefore will not match the base figure shown in the table on page 85.

VICE PROVOST FOR GRADUATE EDUCATION

2015/16 Consolidated Budget Plan

[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
6,731	7,310	General Funds Allocation	7,589						7,589
27,986	29,536	Restricted Revenues				31,127			31,127
20	10	Internal Revenue		1					1
(19,524)	(29,233)	Operating Transfers	(3,095)	3,865	(199)	(31,269)			(30,698)
15,213	**7,622**	**Total Revenues**	**4,494**	**3,866**	**(199)**	**(142)**	**0**		**8,019**
		Expenses							
313	405	Academic Salaries	472						472
1,717	2,138	Staff Salaries	2,238	73	27				2,338
561	757	Benefits & Other Compensation	816	26	9				850
4,104	5,654	Non-Salary Expenses	864	3,960	395	640			5,859
544	461	Internal Expenses	149	30	33	270			482
7,239	**9,413**	**Total Expenses**	**4,538**	**4,089**	**464**	**910**	**0**		**10,001**
7,974	**(1,791)**	**Operating Results**	**(43)**	**(223)**	**(664)**	**(1,052)**	**0**		**(1,982)**
(1,372)	(1,835)	Transfers From (to) Endowment & Other Assets				(484)			(484)
		Transfers From (to) Plant							
6,602	**(3,626)**	**Surplus / (Deficit)**	**(43)**	**(223)**	**(664)**	**(1,536)**	**0**		**(2,466)**
49,674	56,276	Beginning Fund Balances	416	26,556	2,886	22,792			52,650
56,276	52,650	Ending Fund Balances	372	26,333	2,223	21,256			50,184

Notes:

- This schedule does not include endowment principal, student loan funds, or plant funds.
- The general funds allocation shown in this schedule includes one-time allocations and therefore will not match the base figure shown in the table on page 85.

VICE PROVOST FOR TEACHING AND LEARNING
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
1,628	5,396	General Funds Allocation	8,066						8,066
171	226	Restricted Revenues				183			183
	(50)	Internal Revenue							
5,932	8,698	Operating Transfers	8,513			(183)			8,331
7,731	**14,270**	**Total Revenues**	**16,579**	**0**	**0**	**0**	**0**	**0**	**16,579**
		Expenses							
1,187	1,305	Academic Salaries	1,360						1,360
3,762	8,606	Staff Salaries	9,729						9,729
1,524	3,104	Benefits & Other Compensation	3,525						3,525
996	1,453	Non-Salary Expenses	1,721						1,721
137	108	Internal Expenses	244						244
7,606	**14,576**	**Total Expenses**	**16,579**	**0**	**0**	**0**	**0**		**16,579**
125	**(307)**	**Operating Results**	**0**	**0**	**0**	**0**	**0**		**0**
		Transfers From (to) Endowment & Other Assets							
		Transfers From (to) Plant							
125	**(307)**	**Surplus / (Deficit)**	**0**	**0**	**0**	**0**	**0**		**0**
182	307	Beginning Fund Balances	(189)	52		137			
307		Ending Fund Balances	(189)	52		137			

Notes:

- This schedule does not include endowment principal, student loan funds, or plant funds.
- The general funds allocation shown in this schedule includes one-time allocations and therefore will not match the base figure shown in the table on page 85.

HOOVER INSTITUTION

2015/16 Consolidated Budget Plan

[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
762	923	General Funds Allocation	948						948
61,284	58,097	Restricted Revenues		412	30,525	27,160	1,540		59,637
45	130	Internal Revenue		130					130
(173)		Operating Transfers	56,525	(542)	(28,733)	(27,250)			
61,918	**59,149**	**Total Revenues**	**57,473**	**0**	**1,792**	**(90)**	**1,540**		**60,715**
		Expenses							
17,155	17,529	Academic Salaries	18,131	65	140		604		18,939
9,482	9,580	Staff Salaries	10,103	16	56		113		10,287
8,490	8,967	Benefits & Other Compensation	9,385	26	55		218		9,684
16,041	18,683	Non-Salary Expenses	17,957	100	1,405	85	555		20,102
1,720	2,080	Internal Expenses	1,890	10	130		50		2,080
52,887	**56,838**	**Total Expenses**	**57,465**	**216**	**1,786**	**85**	**1,540**		**61,093**
9,031	**2,311**	**Operating Results**	**8**	**(216)**	**6**	**(175)**	**0**		**(378)**
(2,295)	(2,672)	Transfers From (to) Endowment & Other Assets			(1,100)				(1,100)
		Transfers From (to) Plant							
6,736	**(361)**	**Surplus / (Deficit)**	**8**	**(216)**	**(1,094)**	**(175)**	**0**		**(1,478)**
34,752	41,488	Beginning Fund Balances	4	1,160	38,919	1,044			41,127
41,488	41,127	Ending Fund Balances	12	943	37,825	869			39,649

Notes

- This schedule does not include endowment principal, student loan funds, or plant funds.
- 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 general funds allocation shown in this schedule includes one-time allocations and therefore will not match the base figure shown in the table on page 85.

STANFORD UNIVERSITY LIBRARIES
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		OPERATING BUDGET	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	RESTRICTED ENDOWMENT	GRANTS & CONTRACTS	AUXILIARY & SERVICE CENTER	2015/16 TOTAL
		Revenues							
45,228	51,541	General Funds Allocation	52,272						52,272
52,029	26,397	Restricted Revenues		1,000	725	16,005	1,547	7,300	26,577
1,013	22	Internal Revenue		34				15	49
4,444	4,545	Operating Transfers	15,957	(956)	(173)	(11,833)		2,362	5,357
102,714	**82,505**	**Total Revenues**	**68,229**	**78**	**552**	**4,172**	**1,547**	**9,677**	**84,255**
		Expenses							
9,537	10,347	Academic Salaries	10,109				230	225	10,564
37,893	24,929	Staff Salaries	21,272		377		800	3,459	25,908
14,998	11,520	Benefits & Other Compensation	10,774		123		325	1,239	12,461
40,337	33,733	Non-Salary Expenses	24,174		200	4,000	192	4,042	32,608
6,937	2,929	Internal Expenses	1,900		56	320		651	2,927
109,701	**83,458**	**Total Expenses**	**68,229**	**0**	**756**	**4,320**	**1,547**	**9,616**	**84,468**
(6,986)	**(952)**	**Operating Results**	**0**	**78**	**(204)**	**(148)**	**0**	**62**	**(213)**
(230)		Transfers From (to) Endowment & Other Assets							
	(65)	Transfers From (to) Plant							
(7,217)	**(1,017)**	**Surplus / (Deficit)**	**0**	**78**	**(204)**	**(148)**	**0**	**62**	**(213)**
14,219	7,002	Beginning Fund Balances		3,120	2,127	3,503		(2,766)	5,985
7,002	5,985	Ending Fund Balances		3,198	1,923	3,356		(2,705)	5,772

Notes:
- This schedule does not include endowment principal, student loan funds, or plant funds.
- 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 general funds allocation shown in this schedule includes one-time allocations and therefore will not match the base figure shown in the table on page 85.

ATHLETICS
2015/16 Consolidated Budget Plan
[IN THOUSANDS OF DOLLARS]

2013/14 ACTUALS	2014/15 PROJECTION		AUXILIARY	DESIGNATED FUNDS	RESTRICTED EXPENDABLE	ENDOWMENT SCHOLARSHIP	ENDOWMENT OTHER	2015/16 TOTAL
		Revenues						
39,926	40,049	Intercollegiate	45,983					45,983
20,132	20,710	Restricted Revenues - Scholarships				21,765		21,765
22,919	17,093	Restricted Revenues - Other			11,600		6,512	18,112
12,693	13,350	University Funds	13,781					13,781
7,986	8,395	Auxiliaries (e.g., Golf Course)	8,666					8,666
8,008	7,284	Other	5,838	1,850				7,688
7,848	7,492	Camps	815	6,900				7,715
4,686	664	Operating Transfers	17,700	(1,650)	(11,600)	2,062	(6,512)	
124,197	**115,037**	**Total Revenues and Transfers**	**92,783**	**7,100**	**0**	**23,827**	**0**	**123,710**
		Expenses						
51,414	52,863	Compensation	51,879	3,807				55,686
21,154	21,831	Scholarships				23,827		23,827
20,582	13,752	Facilities/Maintenance	14,472					14,472
11,361	10,159	Travel/Entertainment	10,807	200				11,007
13,979	11,199	General Services/Supplies	8,738	3,050				11,788
5,521	5,682	Other	5,937					5,937
572	530	Debt Service	643					643
1,090	302	Capital Expenditures	307					307
125,672	**116,317**	**Total Expenses**	**92,782**	**7,057**	**0**	**23,827**	**0**	**123,666**
2,935		Transfers (To)/From Assets						
1,459	**(1,280)**	**Surplus/(Deficit)**	**0**	**43**	**0**	**0**	**0**	**43**
3,992	5,452	Beginning Fund Balances	(5,769)	3,660	5,327	85	869	4,172
5,452	4,172	Ending Fund Balances	(5,769)	3,703	5,327	85	869	4,215

AUXILIARY ACTIVITIES

RESIDENTIAL & DINING ENTERPRISES

2015/16 Auxiliary Budget Plan*

[IN THOUSANDS OF DOLLARS]

	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN
Revenues			
Student Payments - Room & Board	136,546	147,850	153,984
Student Payments - R&B Off Campus	5,372	6,698	6,399
Conference Income	15,101	16,012	15,658
Catering and Executive Dining	14,879	15,823	15,171
Retail, Concessions, and Vending	10,077	10,118	11,025
Stanford Guest House	4,643	4,747	5,055
Other Operating Income	6,100	5,884	6,500
Interest Income	80	100	84
Total Revenues	**192,797**	**207,232**	**213,876**
Transfers			
Grad Housing Subsidy: Off Campus	7,739	9,571	10,530
Debt Service & Rate Containment Subsidies	7,223	7,951	7,991
Transfers (Net) related to Capital Projects	(3,642)	(1,363)	3,140
Transfers to ResEd, ResComp and GLO	(9,065)	(9,737)	(10,382)
Total Transfers	**2,255**	**6,423**	**11,279**
Total Revenue and Transfers	**195,052**	**213,654**	**225,155**
Expenses			
Salaries and Benefits	56,041	62,828	67,679
Food Cost	13,912	15,134	15,439
EM&S, Services, Commissions and Other	27,822	26,342	23,156
Rental and Leases Off Campus	11,832	14,734	15,419
Utilities and Telecommunication	11,300	12,976	14,749
Maintenance and Asset Renewal	23,571	25,186	29,755
Debt Service	42,851	48,359	51,053
G&A, Insurance and Taxes	7,526	8,096	7,906
Total Expenses	**194,855**	**213,654**	**225,155**
Auxiliary Operating Results	**197**	**0**	**0**
Change in Reserve and Endowment Funds	(3,242)	(1,000)	(3,100)
Consolidated Results and Net Fund Transfers	**(3,045)**	**(1,000)**	**(3,100)**
Beginning Fund Balance	24,692	21,647	20,647
Projected Ending Fund Balance	21,647	20,647	17,547

*The revenue, transfer, and expense amounts in this table represent the auxiliary operation of R&DE only.

APPENDIX B

SUPPLEMENTARY INFORMATION

The tables and graphs 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 or historical occurrences.

Schedule 1 – Student Enrollment for Autumn Quarter

The total enrollment for undergraduate and graduate students grew by 1.6% in 2014/15 as compared to the prior year. Undergraduate enrollment increased by 38 to 7,018 students. Graduate student enrollment growth was substantial in 2014/15, showing an increase in enrollment of 221 over the prior year, a 2.5% increase. The program expansions for the Graduate School of Business and School of Medicine are major drivers for this increase. Historic annual growth for graduate students has been closer to 1%.

Schedule 2 – Freshman Student Apply/Admit/Enroll Statistics

Stanford has continued its trend of higher enrollment and yield, coupled with a lower acceptance of applicants. The number of applicants increased by 8.6%. Yield has reached an historic high at 78.2% of applicants and continues to be one of the highest in the nation. Similarly, the acceptance rate has reached an historic low at 5.1%, the lowest in the nation in 2014/15.

Schedule 3 – New Graduate Student Apply/Admit/Enroll Statistics

Continuing the trend of the freshman statistics shown above, applications, admissions, and enrollment metrics all trend in a favorable direction for 2014/15. Applications are up 5.1%, the acceptance rate has decreased 0.8 percentage points to 10.0%, and the yield rate is up 1.0 percentage point to 59.7%. Over the past ten years, the number of applicants has increased annually by 4.2%, while the admitted pool has stayed virtually flat and enrollment has grown by 1.0%.

Schedule 4 – Postdoctoral Scholars by School and by Gender

The postdoctoral scholar population has been trending up in virtually all schools in recent years. Of 2,153 postdoctoral scholars in 2014/15, over 60% reside in the School of Medicine. Total enrollment growth has increased every year since 2011/12, showing a 4.5% growth in 2014/15.

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 towards 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 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 over 25% of graduate student expenses and 65% 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 2014/15, the support to graduate students and postdoctoral scholars at Stanford increased 5.4% and

6.0%, respectively. The total support to them reached nearly $466 million. As support in grants and contracts has decreased, general funds has increasingly bridged the gap.

Schedule 6 – Graduate Enrollment by School and Degree

This table shows the trend of graduate student enrollment within each school and across degree programs. In 2014/15, approximately 63% of graduate students were enrolled in either H&S or Engineering. The enrollment has increased university-wide over the ten year span at a compounded annual growth rate of 1%. Engineering has added the most students (293), and Earth, Energy & Environmental Sciences has had the fastest total growth (43.8%) over the ten year period. The make-up of graduate students has stayed consistent over this period: 51% doctorate, 29% masters, and 20% professional.

Schedule 7 – Undergraduate Tuition and Room & Board Rates

The 2015/16 annual undergraduate tuition rate and cost of room and board are projected to increase to $45,729 and $13,631, respectively, with an average increase of 3.5% from the previous year. Annual growth for both rates has been relatively steady at 3.0%-3.5% since 2008/09. In real terms, the average annual increase over the past 30 years has only been 2.2%.

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

This schedule shows the total amount of all types of financial aid awarded to undergraduate students, including non-need based scholarships. In 2013/14, total undergraduate financial aid was $174.6 million, a slight decrease from the previous year ($174.8 million). The number of students on need-based aid is projected to stay flat year-over-year at 3,280 students. Funding from external grants continued its decreasing trend, dropping from $21.5 million in 2010/11 to $19.7 million in 2013/14, more drastic if inflation were factored in. During this same period, scholarships awarded by Stanford increased from $137.0 million to $146.4 million—this growth is primarily driven by its endowment, which grew its support from $83.4 million to $101.6 million during this same period, a compound annual growth of 8.9%.

Schedule 9 – Undergraduate Financial Aid Budget Needs and Sources

This schedule shows the total needs and sources of support for undergraduate students who receive need-based financial aid. The total needs are driven by the growth in the student budget and by the number of students on aid. For 2015/16, the budget for need-based aid will increase by 4.1%. This increase is greater than the approved 3.5% increase in tuition, room and board rates due to 20 more students requiring need-based aid in 2015/16. The endowment income funds will continue to grow and will allow for a decrease in the use of general funds and president's funds in support of undergraduate financial aid. As a source of support, the endowment income has increased from 35% of the total to 44% from 2010/11 to 2015/16.

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

This schedule shows the twenty undergraduate majors that granted the most degrees in 2013/14. Human Biology was the most popular between 2004/05 and 2012/13. In 2013/14 Computer Science has taken the top spot, posting a significant growth of 60% over 2012/13. Nearly all undergraduate students and a growing number of graduate students take the introductory Computer Science course. The combined majors in the School of Engineering now make up 37% of the most popular degrees, a jump from 30% in 2012/13, driven by a resurgence in Computer Science. After refreshing its curriculum, the Science, Technology and Society degree has also experienced a sizeable annual increase, jumping from 65 to 105 degrees (62% increase).

Schedule 11 – Students Housed on Campus

The percentage of undergraduate students housed on-campus has been about 90% for the twenty years shown in this table. The graduate on-campus housing program has expanded significantly since 1998/99, and the ten-year average of graduate students housed by Stanford is 56%. The subsidized off-campus housing program for graduate students has grown rapidly from 68 students in 2011/12 to 440 students in 2014/15, due to a displacement caused by the construction of new graduate housing on-campus. For 2014/15, the percentage of graduate students housed on campus has grown to 60.1%, from 56.3% in 2013/14, driven by a portion of new graduate housing coming online.

Schedule 12 – Total Professorial Faculty

The total professoriate has increased by 75 (2.4%) to a total of 2,118 in 2014/15. The majority of the increase is attributable to 46 new tenure-line faculty members, representing a 3.2% growth from last year. The number of non-tenure line faculty, consisting mostly of the Medical Center Line faculty, increased by 29. Over the period of ten years, the total professorial faculty grew at an annual pace of 2.0%.

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 over the last three years. The School of Medicine and School of Humanities and Sciences hold over 72% of faculty appointments across the university and both have had over a 5% increase in their faculty cohorts in the past two years. At the university level the total number of tenured faculty has expanded by 58 (about 5%) between 2012/13 and 2014/15; the number of non-tenured faculty in the tenure line has increased by 19 (about 6%); and the number of non-tenure line faculty has increased by 46 (about 8%) during the same period. The School of Medicine increased tenured, non-tenured, and non-tenure line faculty by 6%, 27%, and 8%, respectively during this same period.

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 increased by 336 (3%) in 2014. In particular, the School of Medicine added 250 employees (6%) due to continuing strong clinical research activities; the Graduate School of Education added 19 employees (11%) due primarily to the launch and expansion of the school's research centers; Business Affairs added 29 employees, primarily in Human Resources (7) and Finance (20); and the President and Provost's Office added 31 employees, due largely to the following: creating the Title IX office, moving the Stanford Medical Youth Program from the School of Medicine to Stanford Pre-Collegiate Studies, and growing the Summer College program.

Schedule 15 – Fringe Benefits Detail

Fringe benefits rates provide a mechanism to support the various components of non-salary compensation provided to 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 28.4% in 2013/14. Overall, total fringe benefits program costs increased by 11.1% in 2013/14. Of this increase, the major components include a 9.5% increase in university retirement, a 13.9% increase in medical insurance, and a nearly doubling (82.8%) of severance pay.

Schedule 16 – Sponsored Research Expense by Agency and Fund Source

In 2013/14, direct research expenses sponsored by the federal government fell by 2.1% ($9.3 million) after a slight increase in 2012/13. The direct research expenses sponsored by non-federal sources remained strong, surging by almost 10% ($15.9 million) over 2012/13. Overall, the direct research volume was $621.5 million in 2013/14 - the mix of funding has slowly shifted from federal to non-federal over the seven-year period. In 2006/07 federal direct research comprised 80.2% of direct funding, but in 2013/14 that figure fell to 71.1%.

Schedule 17 – Sponsored Research Contracts and Grants by School

This table presents the sponsored research expenses for the schools and the Dean of Research over a span of seven years. The expenses for the School of Medicine, as a percentage of university-wide sponsored research projects, consistently stand between 55% and 60%. At best, sponsored research is flat for non-Medicine units for 2013/14, driven by increased competition in federal funding. The School of Medicine has enjoyed a 4.9% compound annual growth during this seven-year period. The Dean of Research has experienced an annual growth of -0.9%, shrinking by almost 6% between 2012/13 and 2013/14.

Schedule 18 – Plant Expenditures by Unit

This schedule shows expenses from plant or borrowed funds for building or infrastructure projects related to various units. Expenditures for equipment are excluded from these figures. Total plant expenditures for 2013/14 were $610 million, which is an increase of $235 million over 2012/13. Some key drivers for the significant plant expenditures include construction on Engineering's Y2E2, Library's building renovation for SUL North, California Avenue faculty staff housing, the Arillaga Outdoor Education and Recreation Center, and the Comstock Graduate Housing project. Additionally, the recently completed campus-wide Stanford Energy System Innovations (SESI) project, which supplies renewable energy for Stanford, was a major driver for the increased plant expenditures, which are reflected in multiple units.

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

The annual nominal rate of return for the merged pool in 2013/14 was 16.8% for the 12 months ending June 30, 2014. The endowment market value was up to $21.5 billion, a 14.8% increase over 2012/13. The target payout rate remains 5.5%.

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. The School of Medicine has almost tripled its fund balance between 2005/06 and 2015/16. The Hoover Institution, Graduate School of Education, and School of Medicine have the fastest compound annual growth over the period, all in the double-digits. The School of Medicine has gone from representing about 43% of the total academic unit fund balances to 52% between 2005/06 and 2015/16.

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 control of funding within each school. Overall, approximately 80% of the fund balances comprise the school/institution and department/program levels in the past three years. The dynamics of fund balance growth has also varied by level of control among the schools. The fund balances at the department/program level had a three-year compound annual growth of 9.1%, whereas the growth at the school/institution and faculty levels remains strong at 6.4% and 11.1%, respectively.

Schedule 22 – Consolidated Budget for Operations History

This schedule shows actual results from 2008/09 through 2013/14, including the 2014/15 year end projection and the 2015/16 forecast for the Consolidated Budget for Operations. It also shows the compound annual growth rate for 2008/09 through 2015/16. While expense growth has outpaced revenue growth (6.2% versus 5.6%), the operating results continue to produce steady results year after year. The change in fund balances each year is the difference between operating results and transfers to assets. While transfers to assets vary year to year, total university fund balances have increased by an average of 6.8% per year over the period.

STUDENT ENROLLMENT FOR AUTUMN QUARTER
2005/06 through 2014/15

	UNDERGRADUATE			GRADUATE			TGR[1]			TOTAL	TOTAL
YEAR	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	GRADUATE	ALL
2005/06	3,204	3,501	6,705	2,384	4,424	6,808	543	825	1,368	8,176	14,881
2006/07	3,240	3,449	6,689	2,389	4,492	6,881	522	798	1,320	8,201	14,890
2007/08	3,313	3,446	6,759	2,382	4,439	6,821	550	815	1,365	8,186	14,945
2008/09	3,384	3,428	6,812	2,450	4,509	6,959	548	821	1,369	8,328	15,140
2009/10	3,405	3,473	6,878	2,507	4,529	7,036	558	847	1,405	8,441	15,319
2010/11	3,334	3,553	6,887	2,635	4,678	7,313	597	869	1,466	8,779	15,666
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

Source: Registrar's Office fall quarter third week enrollment figures.

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

SCHEDULE 2

FRESHMAN APPLY/ADMIT/ENROLL STATISTICS
Fall 2005 through Fall 2014

	TOTAL APPLICATIONS		ADMISSIONS		ENROLLMENT	
YEAR	NUMBER	PERCENT CHANGE FROM PREVIOUS YEAR	NUMBER	PERCENT OF APPLICANTS ADMITTED (ADMIT RATE)	NUMBER	PERCENT OF ADMITTED APPLICANTS ENROLLING (YIELD)
Fall 2005	20,195	5.3%	2,426	12.0%	1,633	67.3%
Fall 2006	22,333	10.6%	2,444	10.9%	1,648	67.4%
Fall 2007	23,958	7.3%	2,464	10.3%	1,723	69.9%
Fall 2008	25,299	5.6%	2,400	9.5%	1,703	71.0%
Fall 2009	30,429	20.3%	2,426	8.0%	1,694	69.8%
Fall 2010	32,022	5.2%	2,340	7.3%	1,674	71.5%
Fall 2011	34,348	7.3%	2,437	7.1%	1,707	70.0%
Fall 2012	36,632	6.6%	2,423	6.6%	1,771	73.1%
Fall 2013	38,828	6.0%	2,208	5.7%	1,677	76.0%
Fall 2014	42,167	8.6%	2,145	5.1%	1,678	78.2%

NEW GRADUATE STUDENT APPLY/ADMIT/ENROLL STATISTICS
Fall 2005 through Fall 2014

	TOTAL APPLICATIONS		ADMISSIONS		ENROLLMENT	
YEAR ENTERING STANFORD	NUMBER	PERCENT CHANGE FROM PREVIOUS YEAR	NUMBER	PERCENT OF APPLICANTS ADMITTED	NUMBER	PERCENT OF ADMITTED APPLICANTS ENROLLING
Fall 2005	30,381	−0.8%	4,356	14.3%	2,405	55.2%
Fall 2006	31,583	4.0%	4,323	13.7%	2,337	54.1%
Fall 2007	33,623	6.5%	4,352	12.9%	2,400	55.1%
Fall 2008	34,566	2.8%	4,350	12.6%	2,379	54.7%
Fall 2009	36,326	5.1%	4,419	12.2%	2,345	53.1%
Fall 2010	37,983	4.6%	4,580	12.1%	2,608	56.9%
Fall 2011	38,750	2.0%	4,570	11.8%	2,628	57.5%
Fall 2012	41,855	8.0%	4,439	10.6%	2,582	58.2%
Fall 2013	41,539	−0.8%	4,479	10.8%	2,630	58.7%
Fall 2014	43,992	5.1%	4,399	10.0%	2,625	59.7%

SCHEDULE 4

POSTDOCTORAL SCHOLARS BY SCHOOL AND BY GENDER[1]

2005/06 through 2014/15

By School	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Graduate School of Business	0	0	0	0	2	0	0	0	0	0
School of Earth, Energy & Environmental Sciences	22	30	32	26	40	44	50	59	72	76
Graduate School of Education	5	10	10	10	11	9	9	12	19	20
School of Engineering	127	117	144	158	202	212	228	259	274	308
School of Humanities and Sciences	268	263	283	284	315	392	401	413	427	416
School of Law	1	0	0	1	1	0	2	1	2	0
School of Medicine	968	1,042	1,037	1,033	1,090	1,231	1,247	1,252	1,258	1,312
SLAC	0	0	0	0	0	0	0	0	8	21
Total	**1,391**	**1,462**	**1,506**	**1,512**	**1,661**	**1,888**	**1,937**	**1,996**	**2,060**	**2,153**

By Gender	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Female	512	557	581	607	673	754	795	828	834	828
Male	879	905	925	905	988	1,134	1,142	1,168	1,226	1,325

Data Source: Registrar's 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]

	2012/13					2013/14					2012/13 TO 2013/14 CHANGE	
	GENERAL/SCHOOL FUNGIBLE FUNDS[1]	DESIGNATED FUNDS	RESTRICTED STUDENT AID FUNDS	GRANTS & CONTRACTS	TOTAL	GENERAL/SCHOOL FUNGIBLE FUNDS[1]	DESIGNATED FUNDS	RESTRICTED STUDENT AID FUNDS	GRANTS & CONTRACTS	TOTAL	AMOUNT	PERCENT
Graduate Student Support												
Salaries												
Teaching Assistants	12.9	0.8	10.0	0.1	23.7	14.6	0.6	10.4	0.0	25.6	1.9	8.2%
Research Assistants	6.7	7.0	12.9	36.8	63.4	6.0	7.3	15.0	35.9	64.2	0.8	1.3%
Other Salaries	0.8	0.5	0.4	0.5	2.2	0.7	0.9	0.5	0.4	2.4	0.2	9.7%
Benefits	3.4	4.1	4.1	2.2	13.8	3.8	4.6	4.9	2.1	15.4	1.6	11.4%
Total Salaries & Benefits	23.8	12.3	27.5	39.5	103.1	25.1	13.3	30.9	38.4	107.6	4.6	4.4%
Tuition Allowance	38.6	3.7	8.5	19.5	70.4	42.6	3.6	8.5	17.0	71.8	1.4	2.0%
Fellowship Tuition	18.3	4.5	56.8	10.0	89.5	26.3	4.6	55.1	10.6	96.5	7.1	7.9%
Stipends	17.7	3.5	25.1	21.0	67.3	17.5	3.5	29.1	21.9	71.9	4.7	6.9%
Total Graduate Student Support	**98.4**	**24.0**	**117.9**	**90.0**	**330.2**	**111.4**	**25.0**	**123.5**	**87.9**	**347.9**	**17.7**	**5.4%**
Percent of Total	29.8%	7.3%	35.7%	27.3%	100.0%	32.0%	7.2%	35.5%	25.3%	100.0%		
Postdocs												
Salaries	1.8	9.4	7.5	48.6	67.4	2.5	11.0	9.2	49.5	72.2	4.8	7.1%
Benefits	0.9	1.6	4.2	15.2	22.0	1.1	3.9	4.4	14.8	24.2	2.2	10.2%
Tuition	0.3	0.0	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.3	0.0	−0.8%
Stipends	0.3	1.8	5.1	14.4	21.6	0.5	2.3	5.1	13.4	21.3	(0.4)	−1.6%
Total Postdoc Support	**3.3**	**12.8**	**16.9**	**78.3**	**111.3**	**4.4**	**17.2**	**18.7**	**77.6**	**117.9**	**6.7**	**6.0%**
Percent of Total	3.0%	11.5%	15.2%	70.3%	100.0%	3.7%	14.6%	15.9%	65.8%	100.0%		

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

SCHEDULE 6

GRADUATE ENROLLMENT BY SCHOOL AND DEGREE[1]
2005/06 through 2014/15

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Graduate School of Business	**893**	**906**	**883**	**877**	**895**	**928**	**940**	**961**	**971**	**1,002**
Doctorate	99	101	101	99	97	101	105	103	110	121
Masters	56	57	55	60	57	56	67	82	83	89
Professional	738	748	727	718	741	771	768	776	778	792
School of Earth, Energy & Environmental Sciences	**251**	**252**	**242**	**256**	**286**	**309**	**338**	**350**	**349**	**361**
Doctorate	197	207	195	202	219	233	270	277	267	283
Masters	54	45	47	54	67	76	68	73	82	78
Graduate School of Education	**366**	**348**	**333**	**346**	**335**	**365**	**355**	**343**	**355**	**334**
Doctorate	175	174	174	178	166	181	171	178	181	171
Masters	191	174	159	168	169	184	184	165	174	163
School of Engineering	**3,126**	**3,153**	**3,133**	**3,267**	**3,289**	**3,452**	**3,452**	**3,418**	**3,381**	**3,419**
Doctorate	1,438	1,496	1,474	1,568	1,593	1,604	1,694	1,716	1,707	1,671
Masters	1,688	1,657	1,659	1,699	1,696	1,848	1,758	1,702	1,674	1,748
School of Humanities & Sciences	**2,044**	**2,061**	**2,091**	**2,103**	**2,092**	**2,162**	**2,159**	**2,224**	**2,261**	**2,300**
Doctorate	1,758	1,731	1,756	1,746	1,748	1,799	1,794	1,845	1,871	1,907
Masters	286	330	335	357	344	363	365	379	390	393
School of Law	**586**	**600**	**593**	**586**	**590**	**636**	**631**	**641**	**631**	**650**
Doctorate	28	30	25	21	17	17	20	23	23	21
Masters[2]	35	38	37	39	35	63	59	63	55	70
Professional	523	532	531	526	538	556	552	555	553	559
School of Medicine	**910**	**881**	**911**	**893**	**954**	**927**	**921**	**934**	**949**	**985**
Doctorate	404	404	433	422	434	427	428	431	443	471
Masters	47	37	34	35	62	59	64	61	60	64
Professional	459	440	444	436	458	441	429	442	446	450
MLA[3]										**67**
Masters										67
University-wide	**8,176**	**8,201**	**8,186**	**8,328**	**8,441**	**8,779**	**8,796**	**8,871**	**8,897**	**9,118**
Doctorate	4,099	4,143	4,158	4,236	4,274	4,362	4,482	4,573	4,602	4,645
Masters	2,357	2,338	2,326	2,412	2,430	2,649	2,565	2,525	2,518	2,672
Professional	1,720	1,720	1,702	1,680	1,737	1,768	1,749	1,773	1,777	1,801

Data Source: Registrar's Office third week enrollment figures

[1] Includes doctoral (including Terminal Graduate Registration), masters, and professional students (i.e., JDs, MDs, MBAs). Beginning in 2014/15, includes MLA degrees.

[2] LLMs and JSMs are re-classified to masters in this table from 2012/13.

[3] Beginning 2014/15 MLA degrees from Continuing Studies are being counted.

UNDERGRADUATE TUITION AND ROOM & BOARD RATES
1986/87 through 2015/16
[IN DOLLARS]

YEAR	UNDERGRADUATE TUITION	PERCENT CHANGE FROM PREVIOUS YEAR	ROOM & BOARD	PERCENT CHANGE FROM PREVIOUS YEAR	TOTAL COST	PERCENT CHANGE FROM PREVIOUS YEAR
1986/87	11,208	7.0%	4,700	6.4%	15,908	6.8%
1987/88	11,880	6.0%	4,955	5.4%	16,835	5.8%
1988/89	12,564	5.8%	5,257	6.1%	17,821	5.9%
1989/90	13,569	8.0%	5,595	6.4%	19,164	7.5%
1990/91	14,280	5.2%	5,930	6.0%	20,210	5.5%
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%	11,463	2.5%	48,843	3.5%
2010/11	38,700	3.5%	11,876	3.6%	50,576	3.5%
2011/12	40,050	3.5%	12,291	3.5%	52,341	3.5%
2012/13	41,252	3.0%	12,721	3.5%	52,973	3.1%
2013/14	42,690	3.5%	13,166	3.5%	55,856	3.5%
2014/15	44,184	3.5%	13,631	3.5%	57,815	3.5%
2015/16	45,729	3.5%	14,107	3.5%	59,836	3.5%

	UNDERGRADUATE TUITION	ROOM & BOARD	TOTAL COST
Compound Annual Increase, 1986/87–2015/16 (30 years):	5.0%	3.9%	4.7%
Compound Annual Increase, 2006/07–2015/16 (10 years):	3.7%	3.5%	3.6%
Compound Annual Real Increase[1], 1986/87–2015/16 (30 years):	2.4%	1.3%	2.2%
Compound Annual Real Increase[1], 2006/07–2015/16 (10 years):	2.3%	1.6%	1.9%
Average Annual CPI Increase, 1986/87–2015/16 (30 years)[2]:			2.7%
Average Annual CPI Increase, 2006/07–2015/16 (10 years)[2]:			1.7%

[1] Both real growth calculated using amounts adjusted to 2014/15 dollars using U.S. Annual CPI-U (Consumer Price Index) values from U.S. Bureau of Labor Statistics.

[2] Average annual CPI increase calculated using values from U.S. Bureau of Labor Statistics.

SCHEDULE 8

UNDERGRADUATE FINANCIAL AID BY TYPE OF AID AND SOURCE OF FUNDS[1]

2004/05 through 2013/14

[IN THOUSANDS OF DOLLARS]

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Stanford Scholarships										
Need-based Awards[2]										
Stanford Unrestricted Funds	14,663	12,927	5,539	997	4,310	26,829	36,269	34,586	34,073	24,658
Gifts and Endowment Income[3]	43,749	47,983	61,026	74,487	99,682	89,180	83,352	92,260	93,058	101,568
Athletic Awards	12,687	13,393	14,999	15,227	15,942	16,756	17,381	18,018	18,787	20,141
Total Stanford Scholarships	**71,099**	**74,303**	**81,565**	**90,711**	**119,934**	**132,765**	**137,002**	**144,864**	**145,919**	**146,367**
External Grants										
Federal	5,041	4,408	5,005	5,285	5,627	7,495	7,581	7,474	7,211	6,872
State	5,291	4,263	3,780	3,860	3,117	3,548	3,811	3,666	3,474	3,344
Other	11,035	9,690	10,317	10,070	10,216	10,304	10,085	9,904	9,459	9,475
Total External Grants	**21,367**	**18,361**	**19,102**	**19,215**	**18,961**	**21,348**	**21,477**	**21,043**	**20,143**	**19,691**
Loans										
Federal	9,815	8,656	7,876	6,545	4,447	5,396	5,083	5,786	5,796	5,345
Other	2,456	2,893	2,885	3,044	3,194	1,610	1,874	2,097	1,807	2,049
Total Loans	**12,271**	**11,549**	**10,761**	**9,589**	**7,641**	**7,006**	**6,957**	**7,883**	**7,603**	**7,394**
Federal Work-Study Earnings	**1,201**	**1,485**	**1,150**	**1,022**	**1,078**	**1,227**	**1,212**	**1,336**	**1,168**	**1,193**
Grand Total	**105,938**	**105,698**	**112,579**	**120,537**	**147,614**	**162,345**	**166,647**	**175,126**	**174,833**	**174,645**

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 Includes endowed funds that are not need-based per donors' wishes. The amount is $202,165 in 2013/14. 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.

UNDERGRADUATE NEED-BASED FINANCIAL AID

Projected 2015/16 Student Budget Needs and Sources, Including Parental and Student Contributions[1]

[IN THOUSANDS OF DOLLARS]

	2011/12 ACTUALS	2012/13 ACTUALS	2013/14 ACTUALS	2014/15 PROJECTED	2015/16 BUDGET	2014/15 TO 2015/16 CHANGE AMOUNT	2014/15 TO 2015/16 CHANGE PERCENT
Needs							
Tuition, Room and Board	177,792	179,491	178,519	184,798	192,404	7,606	4.1%
Books and Personal Expenses	17,755	17,820	17,535	17,988	18,662	674	3.7%
Travel	2,638	2,641	2,599	2,666	2,752	86	3.2%
Total Student Expenses	**198,184**	**199,952**	**198,652**	**205,451**	**213,818**	**8,366**	**4.1%**
Sources							
Total Family Contribution (Includes parent contribution for aided students, self-help, summer savings, assets, etc.)	56,580	58,415	58,585	60,887	59,578	(1,309)	−2.1%
Endowment Income[2]	71,833	74,995	81,442	88,067	94,674	6,607	7.5%
Expendable Gifts	1,276	1,211	1,765	1,976	2,355	379	19.2%
Stanford Fund/President's Funds	38,131	25,852	18,288	18,263	18,495	232	1.3%
Federal Grants	6,003	5,643	5,511	5,500	5,534	34	0.6%
California State Scholarships	3,587	3,408	3,290	3,300	3,320	20	0.6%
Outside Awards	5,312	5,123	4,782	4,953	5,033	80	1.6%
Department Sources	1,198	1,745	1,433	1,439	1,445	6	0.4%
Unrestricted Funds	14,264	23,558	23,555	21,066	23,384	2,318	11.0%
Total Sources	**198,184**	**199,952**	**198,652**	**205,451**	**213,818**	**8,367**	**4.1%**
Number of Students on Need-Based Aid	3,464	3,417	3,278	3,280	3,300	20	0.6%

[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.

SCHEDULE 10

MAJORS WITH THE LARGEST NUMBER OF BACCALAUREATE DEGREES CONFERRED[1]
2004/05 through 2013/14

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Computer Science	108	82	70	66	65	86	87	144	132	211
Human Biology	184	187	167	193	228	219	191	177	177	165
Engineering	40	50	62	73	93	82	99	99	98	123
Science, Technology and Society	26	20	22	24	35	40	60	53	65	105
Biology	141	156	151	140	121	123	124	106	108	98
Economics	194	164	143	165	162	141	120	103	97	86
International Relations	97	91	87	107	102	108	103	96	88	63
Management Science and Engineering	72	58	56	54	51	59	64	69	55	63
Political Science	111	113	103	96	71	74	72	72	55	61
Psychology	107	97	102	80	73	79	72	94	84	56
English	79	88	92	57	75	69	58	68	67	55
Mechanical Engineering	61	67	59	55	48	54	56	50	60	53
History	63	60	71	50	59	63	56	67	67	48
Earth Systems	36	21	23	26	24	32	40	53	33	44
Symbolic Systems	32	27	44	28	29	18	21	21	37	44
Mathematics	48	32	48	36	48	35	37	43	37	43
Electrical Engineering	65	69	48	37	47	36	43	39	36	33
Public Policy	25	30	34	14	20	22	26	25	30	27
Communication	41	29	36	43	41	38	43	29	27	25
Mathematical and Computational Science	22	28	24	16	25	22	20	17	25	23

Source: Registrar's Office

[1] This table includes the 20 degrees in which the most undergraduate degrees were awarded in 2013/14.

STUDENTS HOUSED ON CAMPUS
1995/96 through 2014/15

YEAR	UNDERGRADUATES HOUSED ON CAMPUS	PERCENT OF UNDERGRADUATES HOUSED ON CAMPUS	GRADUATE STUDENTS HOUSED ON CAMPUS	GRADUATE STUDENTS HOUSED IN OFF-CAMPUS SUBSIDIZED APARTMENTS	PERCENT OF GRADUATE STUDENTS HOUSED BY STANFORD
1995/96	5,819	88%	3,090		41.4%
1996/97	5,749	88%	2,980		41.0%
1997/98	5,864	88%	3,320		44.6%
1998/99	5,917	90%	3,717	250	52.5%
1999/00	5,955	90%	3,408	584	52.4%
2000/01	5,969	91%	3,887	687	59.4%
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[1]	6,448	92%	4,645	362	56.3%
2014/15	6,503	93%	5,037	440	60.1%

[1] The change in graduate housing on and off campus has been affected by the spaces being taken off line for the construction on Comstock Circle.

SCHEDULE 12

TOTAL PROFESSORIAL FACULTY
1980/81 through 2014/15

	PROFESSORS	ASSOCIATE PROFESSORS	ASSISTANT PROFESSORS[1]	TENURE LINE TOTAL	NON-TENURE LINE PROFESSORS	GRAND TOTAL
1980/81	642	205	279	1,126	104	1,230
1981/82	661	200	294	1,155	103	1,258
1982/83	672	195	284	1,151	116	1,267
1983/84	682	195	286	1,163	129	1,292
1984/85	691	194	272	1,157	135	1,292
1985/86	708	191	261	1,160	135	1,295
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

Source: Provost's 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.

DISTRIBUTION OF TENURED, NON-TENURED, AND NON-TENURE LINE PROFESSORIAL FACULTY[1]

2012/13 through 2014/15

	2012/13				2013/14				2014/15			
SCHOOL UNIT OR PROGRAM	TENURED	NON-TENURED	NON-TENURE LINE	TOTAL	TENURED	NON-TENURED	NON-TENURE LINE	TOTAL	TENURED	NON-TENURED	NON-TENURE LINE	TOTAL
Earth, Energy & Environmental Sciences	35	11	6	52	38	11	6	55	40	14	5	59
Graduate School of Education	41	9	7	57	40	8	7	55	41	7	8	56
Engineering	172	43	23	238	176	47	22	245	180	46	20	246
Humanities and Sciences	421	125	18	564	432	122	18	572	437	124	18	579
Humanities	*177*	*49*	*11*	*237*	*179*	*48*	*12*	*239*	*178*	*45*	*11*	*234*
Natural Sciences & Math	*129*	*34*	*4*	*167*	*134*	*39*	*3*	*176*	*134*	*44*	*3*	*181*
Social Sciences	*115*	*42*	*3*	*160*	*119*	*35*	*3*	*157*	*125*	*35*	*4*	*164*
Law	41	6	8	55	43	6	9	58	48	4	9	61
Other	0	0	11	11	0	0	15	15	0	0	18	18
Subtotal	710	194	73	977	729	194	77	1,000	746	195	78	1,019
Business	74	37	1	112	76	38	1	115	77	37	1	115
Medicine	270	77	520	867	271	84	533	888	287	98	561	946
SLAC	32	4	3	39	35	2	3	40	34	1	3	38
Total	**1,086**	**312**	**597**	**1,995**	**1,111**	**318**	**614**	**2,043**	**1,144**	**331**	**643**	**2,118**

Source: Provost's Office September 1st figures

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

SCHEDULE 14

NUMBER OF NON-TEACHING EMPLOYEES[1]

As of December 15 Each Year

2006 through 2014

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2013 TO 2014 CHANGE AMOUNT	PERCENT
Academic Units											
Graduate School of Business	350	384	411	343	338	341	373	402	424	22	5.5%
School of Earth, Energy & Environmental Sciences	82	83	84	85	85	98	101	100	107	7	7.0%
Graduate School of Education	93	97	104	116	120	156	166	167	186	19	11.4%
School of Engineering	439	449	448	425	432	455	479	495	520	25	5.1%
School of Humanities & Sciences	648	678	727	706	705	705	730	760	764	4	0.5%
School of Law	152	165	166	153	154	155	158	162	155	(7)	−4.3%
School of Medicine	3,020	3,146	3,360	3,419	3,609	3,725	3,902	3,998	4,248	250	6.3%
Dean of Research	480	497	531	527	537	569	612	630	642	12	1.9%
SLAC	1,512	1,604	1,383	1,436	1,539	1,572	1,552	1,443	1,402	(41)	−2.8%
University Libraries	541	562	572	537	572	569	582	579	442	(137)	−23.7%
Other Academic (Hoover Institution, VPUE & VPGE[2])	255	277	292	281	270	290	340	344	368	24	7.0%
Academic Unit Total	**7,572**	**7,942**	**8,078**	**8,028**	**8,361**	**8,635**	**8,995**	**9,080**	**9,258**	**178**	**2.0%**
Administrative Units											
Business Affairs	835	872	885	872	854	867	912	932	961	29	3.1%
Land, Buildings & Real Estate	422	467	503	452	452	475	513	531	533	2	0.4%
Office of Development	216	242	280	249	251	314	329	352	369	17	4.8%
Offices of the President & Provost	166	188	198	190	191	195	214	212	243	31	14.6%
Student Affairs, Admission & Financial Aid	291	294	303	286	282	320	331	340	350	10	2.9%
Stanford Alumni Association	114	116	124	111	114	107	114	121	123	2	1.7%
Stanford Management Company	69	58	61	61	64	72	70	75	79	4	5.3%
Other Administrative (Public Affairs, General Counsel and Public Safety)	150	132	130	129	128	125	134	148	154	6	4.1%
Administrative Units Total	**2,263**	**2,369**	**2,484**	**2,350**	**2,336**	**2,475**	**2,617**	**2,711**	**2,812**	**101**	**3.7%**
Auxiliary Units											
Athletics	147	151	167	153	158	175	173	185	205	20	10.8%
Residential & Dining Enterprises	531	534	538	524	556	550	589	623	660	37	5.9%
Auxiliary Unit Total	**678**	**685**	**705**	**677**	**714**	**725**	**762**	**808**	**865**	**57**	**7.1%**
Total	**10,513**	**10,996**	**11,267**	**11,055**	**11,411**	**11,835**	**12,374**	**12,599**	**12,935**	**336**	**2.7%**
Annual Percentage Change	3.7%	4.6%	2.5%	−1.9%	3.2%	3.7%	4.6%	1.8%	2.7%		

1. Does not include students, or employees working less than 50% time.
2. VPGE was established in 2006.

FRINGE BENEFITS DETAIL[1]
2006/07 through 2013/14
[IN THOUSANDS OF DOLLARS]

Fringe Benefits Program	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Retirement Programs								
University Retirement	89,418	92,656	97,748	99,373	104,407	110,754	118,045	129,246
Social Security	82,794	87,460	92,586	93,704	97,920	105,094	112,378	119,458
Faculty Early Retirement	8,787	8,270	7,501	24,931	1,301	3,322	4,048	3,749
Stanford Retirement Annuity Plan/Other[2]	558	418	364	468	332	10,613	4,994	219
Total Retirement Programs	**181,557**	**188,804**	**198,199**	**218,476**	**203,960**	**229,783**	**239,466**	**252,672**
Insurance Programs								
Medical Insurance	71,473	85,206	95,611	101,060	110,018	130,424	135,834	154,665
Retirement Medical	11,602	16,585	16,583	14,245	22,710	26,284	19,748	18,664
Worker's Comp/LTD/ Unemployment Insurance	5,743	17,294	20,338	16,969	15,740	19,499	23,556	27,529
Dental Insurance	10,674	11,295	12,150	12,592	12,817	13,552	13,214	12,976
Group Life Insurance/Other	12,343	13,225	14,761	15,382	15,431	20,829	17,772	20,716
Total Insurance Programs	**111,835**	**143,605**	**159,443**	**160,248**	**176,716**	**210,588**	**210,124**	**234,550**
Miscellaneous Programs								
Severance Pay	3,818	11,839	16,189	2,948	6,096	7,387	7,910	14,461
Sabbatical Leave	13,287	14,047	15,689	14,187	14,360	14,810	17,915	20,052
Other	11,596	11,697	13,012	12,064	12,489	13,637	15,556	17,294
Total Miscellaneous Programs	**28,701**	**37,583**	**44,890**	**29,199**	**32,945**	**35,834**	**41,381**	**51,807**
Total Fringe Benefits Programs	**322,093**	**369,992**	**402,532**	**407,923**	**413,621**	**476,205**	**490,971**	**539,029**
Carry-forward/Adjustment from Prior Year(s)	6,300	(6,702)	(10,841)	985	14,096	(4,220)	(8,160)	(2,654)
Total With Carry-forward/Adjustment	**328,393**	**363,290**	**391,691**	**408,908**	**427,717**	**471,985**	**482,811**	**536,375**
Weighted Average Fringe Benefits Rate	25.7%	26.4%	26.8%	27.7%	27.2%	28.2%	27.1%	28.4%

Note:

[1] 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.

[2] The Stanford Retirement Annuity Plan had a $10.5 million reserve contribution in 2011/12 due to underfunded pension obligations.

SCHEDULE 16

SPONSORED RESEARCH EXPENSE BY AGENCY AND FUND SOURCE[1]

2007/08 through 2013/14

[IN THOUSANDS OF DOLLARS]

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
U.S. Government[2]							
Health & Human Services	324,737	317,534	395,209	446,906	413,713	412,511	409,312
Department of Defense	56,439	58,447	58,153	71,627	84,048	89,598	86,630
National Science Foundation	60,920	59,397	71,645	68,856	67,828	69,846	66,492
Department of Energy (Excluding SLAC)	23,160	16,110	20,458	24,338	22,810	24,069	27,041
National Aeronautics and Space Administration	39,092	24,214	24,988	22,471	20,963	22,113	17,905
Other U.S. Sponsors	5,923	6,922	9,063	7,952	8,551	7,699	8,477
Department of Education	1,359	2,757	2,757	4,921	4,872	5,675	5,174
Sub-Total for U.S. Government Agencies	511,629	485,381	582,274	647,071	622,784	631,512	621,031
Direct Expense-U.S.	373,067	349,089	417,868	463,313	443,430	450,993	441,726
Indirect Expense-U.S.[3]	138,562	136,292	164,407	183,758	179,355	180,519	179,305
Non-U.S. Government							
Subtotal for Non-U.S. Government	132,628	167,115	170,536	180,105	186,416	202,620	220,557
Direct Expense-Non-U.S.	108,586	136,551	140,618	146,174	150,566	163,903	179,775
Indirect Expense-Non-U.S.	24,042	30,564	29,918	33,931	35,849	38,717	40,782
Grand Totals-U.S. plus Non-U.S.							
Grand Total	**644,257**	**652,495**	**752,811**	**827,176**	**809,200**	**834,132**	**841,588**
Grand Total Direct	481,653	485,640	558,486	609,487	593,996	614,896	621,501
Grand Total Indirect	162,604	166,856	194,325	217,689	215,204	219,236	220,087
% of Total from U.S. Government	79.4%	74.4%	77.3%	78.2%	77.0%	75.7%	73.8%

[1] Figures are only for sponsored research; sponsored instruction or other non-research sponsored activity is not included. In addition, SLAC expense is not included in this table.

[2] Agency figures include both direct and indirect expense.

[3] Department of Laboratory Animal Medicine indirects are included in this figure.

SPONSORED RESEARCH CONTRACTS AND GRANTS BY SCHOOL[1]

2007/08 through 2013/14

[IN THOUSANDS OF DOLLARS]

School/Unit	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Graduate School of Business	774	511	925	1,265	1,273	1,402	380
School of Earth, Energy & Environmental Sciences	11,708	9,188	10,035	12,675	14,795	15,060	14,717
Graduate School of Education	6,874	9,332	9,291	15,056	16,974	17,306	18,027
School of Engineering	116,039	122,938	136,999	135,921	144,847	149,419	148,806
School of Humanities and Sciences	71,144	72,075	74,733	77,342	74,436	80,063	71,771
School of Law	440	414	491	389	410	932	300
School of Medicine	358,599	365,911	433,863	498,174	475,100	484,162	505,405
Vice Provost and Dean of Research	73,484	67,168	78,637	82,265	77,391	81,367	76,714
Other[2]	5,195	4,958	7,835	4,088	3,974	4,422	5,467
Total	**644,257**	**652,495**	**752,811**	**827,176**	**809,200**	**834,132**	**841,588**

Source: Research Financial Compliance & Services; Sponsored Projects Report for the Year Ended August 31, 2014, page 3.

1 Figures are only for sponsored research including both direct and indirect costs; sponsored instruction or other non-research sponsored activity is not included. In addition, SLAC expense is not included in this table.

2 Other Units include Hoover Institution, Stanford University Libraries, Undergraduate Admission and Financial Aid, Vice Provost for Student Affairs, President and Provost's Office, Business Affairs, Public Affairs, and Continuing Studies and Summer Session.

SCHEDULE 18

PLANT EXPENDITURES BY UNIT[1]

2006/07 through 2013/14

[IN THOUSANDS OF DOLLARS]

UNIT	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Graduate School of Business	2,023	17,902	69,038	116,731	295,433	25,577	2,961	1,455
School Earth, Energy & Environmental Sciences	458	771	2,197	2,950	5,117	2,118	730	192
Graduate School of Education	1,934	2	2,201	2,955	843		1,423	
Engineering	6,273	28,169	55,430	55,976	19,198	9,968	4,165	170,713
Humanities & Sciences	7,802	8,796	11,255	14,419	7,930	7,136	107,202	10,089
Law	19,595	64,256	78,973	43,434	50,185	4,168	66	11,774
Medicine	31,908	57,759	134,165	104,880	31,731	32,820	76,588	15,317
University Libraries	219	457	3	280				41,676
Athletics	28,875	8,753	22,988	10,963	16,639	9,116	29,955	49,001
Residential & Dining Enterprises	17,568	13,101	31,135	21,773	14,288	47,750	27,788	134,083
All Other[2]	142,782	220,724	105,925	92,761	46,668	49,130	123,850	175,837
Total	**259,436**	**420,692**	**513,313**	**467,123**	**488,032**	**187,784**	**374,728**	**610,138**

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.

ENDOWMENT MARKET VALUE AND MERGED POOL RATE OF RETURN
1999/00 through 2013/14

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]
1999/00	8,885,905	39.8%	37.9%
2000/01	8,249,551	−7.3%	−9.6%
2001/02	7,612,769	−2.6%	−3.7%
2002/03	8,613,805	8.8%	7.2%
2003/04	9,922,041	18.0%	15.4%
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%

Source: Stanford University Annual Financial 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.

SCHEDULE 20

EXPENDABLE FUND BALANCES AT YEAR-END
2005/06 through 2015/16
[IN MILLIONS OF DOLLARS]

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	PROJECTED 2014/15	PLAN 2015/16	2005/06 TO 2015/16 COMPOUND ANNUAL GROWTH
Academic Units:												
Graduate School of Business	62.8	62.9	64.0	67.0	82.2	65.7	79.0	95.0	91.4	79.8	72.4	6.1%
School of Earth, Energy & Environmental Sciences	24.1	24.8	30.5	37.9	42.3	46.8	48.2	50.0	54.2	59.1	61.4	8.9%
School of Education	18.1	22.7	25.1	32.2	35.5	38.5	38.1	37.4	42.0	41.9	41.1	10.1%
School of Engineering	153.9	162.4	184.6	199.7	202.5	219.5	232.8	250.4	261.7	256.9	272.2	7.7%
School of Humanities & Sciences	142.4	174.0	206.4	245.8	264.3	284.3	285.1	278.8	255.3	261.0	277.0	7.0%
School of Law	21.1	21.4	25.3	19.1	20.1	21.6	21.9	21.6	24.1	24.5	24.8	3.1%
School of Medicine	427.3	459.0	443.7	477.4	523.1	572.5	612.9	769.4	846.7	1,006.4	1,131.7	12.4%
VP for Undergraduate Education	19.1	17.2	17.3	19.9	22.0	22.1	22.8	20.3	20.2	18.2	17.2	5.0%
VP for Dean of Research	106.4	93.0	105.1	108.2	111.2	118.6	133.3	141.4	163.6	180.4	176.4	9.3%
VP for Graduate Education		20.0	28.4	39.1	45.1	46.2	49.8	49.7	56.3	52.7	50.2	
VP for Teaching and Learning[1]									0.3			
Hoover Institution	16.1	19.1	35.5	35.2	38.7	40.2	38.6	34.7	41.5	41.1	39.6	11.4%
University Libraries	10.0	9.0	10.5	17.5	21.6	18.4	14.6	14.2	7.0	6.0	5.8	−4.8%
Total Academic Units (excluding SLAC)	**1,001.4**	**1,085.5**	**1,176.4**	**1,299.0**	**1,408.6**	**1,494.4**	**1,577.1**	**1,762.9**	**1,864.3**	**2,028.1**	**2,169.8**	**10.1%**

[1] VP for Teaching and Learning was created in 2012/13. Preceding its inception, all activity was captured within the President and Provost's Office.

ACADEMIC UNIT EXPENDABLE FUND BALANCES
By Level of Control
2011/12 through 2013/14
[IN MILLIONS OF DOLLARS]

	2011/12	2012/13	2013/14	3-YEAR COMPOUND ANNUAL GROWTH RATE
School of Earth, Energy & Environmental Sciences	48.2	50.0	54.2	6.0%
School	*23.7*	*23.3*	*23.7*	*0.0%*
Department/Program	*16.1*	*18.0*	*20.4*	*12.7%*
Faculty/PI	*8.5*	*8.7*	*10.2*	*9.3%*
Graduate School of Education	38.1	37.4	42.0	5.1%
School	*19.7*	*20.1*	*20.4*	*1.8%*
Department/Program	*13.7*	*12.0*	*14.4*	*2.5%*
Faculty/PI	*4.6*	*5.3*	*7.2*	*24.5%*
School of Engineering	232.8	250.4	261.6	6.0%
School	*62.0*	*62.4*	*63.3*	*1.0%*
Department/Program	*84.7*	*94.8*	*100.3*	*8.8%*
Faculty/PI	*86.0*	*93.2*	*98.1*	*6.8%*
School of Humanities & Sciences	285.1	278.8	255.3	−5.4%
School	*118.0*	*106.9*	*76.2*	*−19.7%*
Department/Program	*107.1*	*107.3*	*108.5*	*0.7%*
Faculty/PI	*59.9*	*64.6*	*70.6*	*8.5%*
School of Law	21.9	21.6	24.1	4.8%
School	*17.1*	*16.8*	*19.7*	*7.2%*
Department/Program	*4.8*	*4.8*	*4.4*	*−4.0%*
Faculty/PI				
School of Medicine	612.9	769.4	846.1	17.5%
School	*208.6*	*316.2*	*334.3*	*26.6%*
Department/Program	*266.4*	*298.2*	*331.2*	*11.5%*
Faculty/PI	*137.9*	*155.0*	*180.6*	*14.4%*
Vice Provost and Dean of Research	133.3	141.4	163.6	10.8%
VP/Dean	*20.8*	*20.6*	*27.1*	*14.2%*
Lab/Center/Institute	*99.1*	*106.0*	*119.5*	*9.8%*
Faculty/PI	*13.4*	*14.8*	*17.0*	*12.5%*
Graduate School of Business[1]	79.0	95.0	91.4	7.5%
Hoover Institution[1]	38.6	34.7	31.7	−9.3%
Vice Provost for Graduate Education[1]	49.8	49.7	56.3	6.3%
Vice Provost for Undergraduate Education[1]	22.8	20.3	20.3	−5.6%
University Libraries[1]	14.6	14.2	7.0	−30.7%
All Academic Units (excluding SLAC)				
School/Institution/VP	657.0	748.4	744.2	6.4%
Dept/Prog/Lab/Ctr/Institute	609.5	672.8	725.5	9.1%
Faculty/PI	310.7	341.8	383.9	11.1%
Total All Academic Units (excluding SLAC)	**1,577.2**	**1,762.5**	**1,853.5**	**8.4%**

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, or Vice Provost.

SCHEDULE 22

CONSOLIDATED BUDGET FOR OPERATIONS HISTORY

[IN MILLIONS OF DOLLARS]

	2008/09 ACTUALS	2009/10 ACTUALS	2010/11 ACTUALS	2011/12 ACTUALS	2012/13 ACTUALS	2013/14 ACTUALS	2014/15 PROJECTION	2015/16 PLAN	2008/09 TO 2015/16 COMPOUND ANNUAL GROWTH
Revenues									
Undergraduate Programs	252.3	274.9	285.6	298.1	311.0	317.4	330.1	341.2	4.4%
Graduate Programs	249.4	260.3	274.8	287.2	297.0	313.8	327.2	339.9	4.5%
Room and Board	110.1	122.5	127.8	135.9	144.8	151.3	162.1	167.8	6.2%
Student Income	611.8	657.7	688.2	721.2	752.9	782.5	819.4	848.9	4.8%
Direct Costs - University	532.7	602.6	650.3	639.3	656.8	669.7	699.7	715.7	4.3%
Indirect Costs	174.1	203.8	225.5	226.4	225.5	227.7	234.5	241.5	4.8%
University Sponsored Research	706.8	806.4	875.8	865.7	882.3	897.3	934.2	957.2	4.4%
SLAC	293.7	332.8	366.4	368.0	350.9	369.3	450.5	507.5	8.1%
Health Care Services	484.3	505.7	558.7	600.5	714.8	778.2	959.0	964.2	10.3%
Gifts In Support of Operations	149.0	155.6	163.7	177.8	180.7	211.8	190.2	195.0	3.9%
Net Assets Released From Restrictions	74.1	78.3	106.1	110.0	177.7	130.2	130.2	120.0	7.1%
Endowment Income	954.4	854.5	783.4	861.7	921.7	984.7	1,067.9	1,152.4	2.7%
Other Investment Income	121.0	49.9	151.7	160.6	118.3	232.1	228.9	242.9	10.5%
Investment Income	1,075.4	904.4	935.1	1,022.3	1,040.0	1,216.8	1,296.8	1,395.3	3.8%
Special Program Fees and Other Income	350.1	350.5	381.3	437.0	473.6	507.1	494.5	514.1	5.6%
Total Revenues	**3,745.2**	**3,791.4**	**4,075.3**	**4,302.5**	**4,572.9**	**4,893.5**	**5,274.8**	**5,502.2**	**5.6%**
Expenses									
Compensation	2,009.2	2,074.8	2,205.1	2,364.1	2,516.5	2,665.3	2,909.3	3,054.2	6.2%
Financial Aid	210.3	220.7	230.4	240.6	242.5	248.8	263.5	280.5	4.2%
Internal Debt Service	141.0	144.0	159.2	141.8	161.8	172.7	203.4	193.0	4.6%
Other Operating Expense	1,005.2	1,057.4	1,139.6	1,204.6	1,238.8	1,381.6	1,513.5	1,615.2	7.0%
Total Expenses	**3,365.7**	**3,496.9**	**3,734.3**	**3,951.2**	**4,159.6**	**4,468.3**	**4,889.8**	**5,142.9**	**6.2%**
Operating Results	**379.5**	**294.5**	**341.0**	**351.3**	**413.2**	**425.1**	**385.0**	**359.3**	**−0.8%**
Transfers									
Transfers from (to) Endowment Principal	(78.0)	(40.1)	(150.4)	(88.6)	(117.4)	(112.5)	(100.0)	(100.0)	
Transfers from (to) Plant	(141.3)	(121.1)	(44.8)	(172.1)	(154.3)	(235.5)	(200.9)	(167.5)	
Other Internal Transfers	10.0	30.6	37.2	10.7	42.2	40.1	37.9	36.1	
Total Transfers	**(209.3)**	**(130.6)**	**(158.0)**	**(249.9)**	**(229.5)**	**(307.8)**	**(262.9)**	**(231.4)**	
Change in Fund Balances	**170.2**	**163.9**	**183.0**	**101.4**	**183.8**	**117.3**	**122.1**	**127.9**	
Beginning Fund Balance	1,772.6	1,942.8	2,106.7	2,289.6	2,391.0	2,574.8	2,692.1	2,814.2	6.8%
Ending Fund Balance	1,942.8	2,106.7	2,289.6	2,391.0	2,574.8	2,692.1	2,814.2	2,942.1	6.1%

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