Introduction
This begins an on-going effort to keep the YSPH/EPH community informed of our financial status. Individual units will continue to receive detailed statements, and this overview will provide a School-wide context for those reports.

Fiscal Year 2006
The year that ended on June 30, 2006 was a transition year for the School. It might be titled “Waiting for the New Dean.” Brian Leaderer, as Interim Dean, led with a conservative hand in fiscal areas. He did not allow any back-sliding and forward motion was slow and steady, but major new initiatives were put on hold. The financial results follow that transition philosophy. There were no major changes in revenue streams or expense categories from previous years.

Operating Revenue FY 06
Total revenue was $41.5 million with grant & contract revenue accounting for 70% of our income. G&C direct income increased 2.15% and indirects decreased 1.89% which held their overall increase in revenue to 0.52% above FY05. Tuition income increased 7% over fiscal year 05 affected mostly by a 4.9% increase in MPH tuition combined with a 3% increase in the size of the MPH classes. Contributions in fiscal year 05 were about 20% above the previous norm, the result of one major gift. In FY06, it appears that contributions decreased by 21%, but that reflects a return to the norm.

Operating Expenses FY 06
Total operating expenses were $40.8 million. Expenses remained flat. Salaries and associated fringe benefits, which make up almost half of the expense budget, increased only 1.8%. Student aid was the only expense category (other than subcontracts) that changed more than 3%. Student aid increased 5.6%. Subcontracts, which are a fully reimbursed expense, increased 15.2%.

Other Expenses
In addition to our normal operating expenses depicted by the graph there are assessments - facility charges and fees that are paid on our behalf by the medical school. In FY 05, these costs, referred to as “below the line” costs, totaled $3.8 million more than our contribution to them which is indicated by the 12.93% in the graph. Totals for FY 06 are not yet available to us but the YSM contribution is expected to be slightly higher.

Summary FY 06
We ended the year in strong financial shape. The spendable balance in our unrestricted endowments increased almost $400,000, not quite 1% of our annual expenses. Most of the increase is due to the recent phenomenal results of Yale’s investment strategy. It is not quite the same, but this balance is the closest we have to a fund balance.

Outlook
The FY 07 budget was compiled with the same assumptions, formulas and computations used in previous years. While we will need to stay within the bottom line to remain fiscally healthy, modifications to the old calculations will be made during the year to distribute more money to the Divisions. The hope and expectation is that the FY 08 budget model will evolve to meet the financial needs of a changing School of Public Health.