



JOHNS HOPKINS
UNIVERSITY

Town Hall on University Finances

November 2021

Executive Summary

- ❖ The University ended Fiscal Year 2021 (year ending June 30, 2021) with an extraordinary **\$213 million operating surplus** (3.2% margin), significantly better than projected.
- ❖ These results include the full restoration of 403b employer contributions, which was accomplished in the spring of 2021.
- ❖ In these slides, we will illustrate how:
 - Impacts from the pandemic to key University revenue streams were not as severe as we had reasonably projected they could be
 - The University benefited from federal COVID relief funding that had not been assumed in the budget
 - The University experienced other significant unanticipated one-time revenue windfalls
 - Cost savings due to the pandemic were much greater than any of our University divisions had anticipated in their budgets (including travel expense, events, etc.)
- ❖ Net assets increased by over \$3 billion as of 6/30/2021 vs prior year (from \$10 billion to \$13 billion), driven primarily by a 40.3% combined investment return on the University's endowment assets.
- ❖ These results position the University well as we emerge from this pandemic to make significant investments in mission excellence that support our strategic objectives.



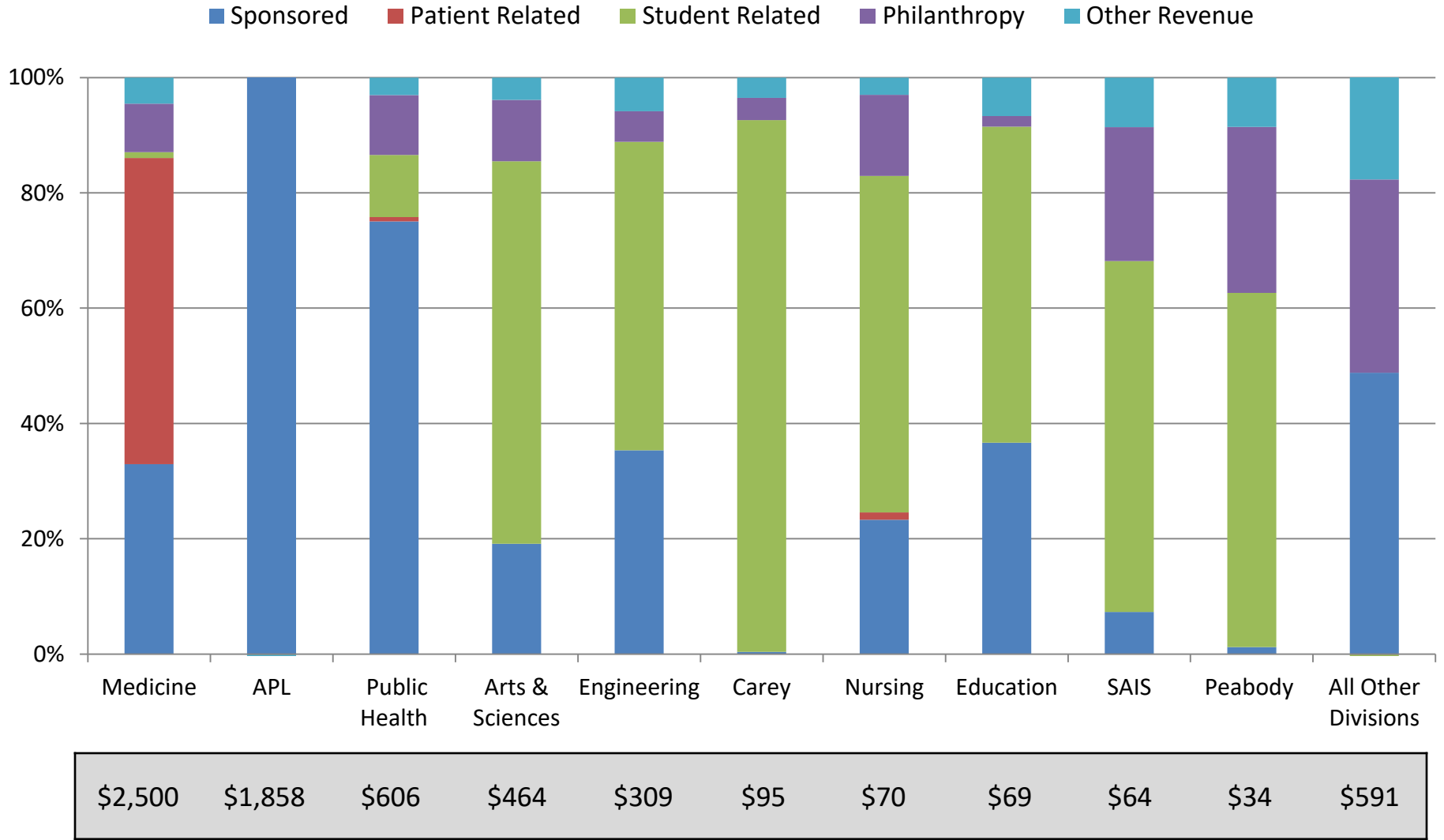
Context and Background on University Structure and Finances

JHU's Decentralized Financial Model – A Recap from Previous Town Halls

- Similar to many higher education peers, JHU follows a “responsibility centered management” financial model, which is a decentralized approach that relies on disciplined financial management by divisional leaders as nearly all resources – tuition, sponsored revenue, clinical revenue, gifts and endowment income – flow to individual schools and divisions.
- Specifically, this means that while overall University finances are consolidated from the various divisions into one total for budgeting and reporting purposes, the University does not transfer funds from divisions that generate surpluses to divisions that experience losses.
- Those JHU divisions that generated operating surpluses in Fiscal Year 2021 retain their cash generated from operations.
- The extraordinary endowment gains during Fiscal Year 2021 benefit the ~4,500 individual endowment fund holders across all JHU divisions.

FY21 Operating Revenue by Division

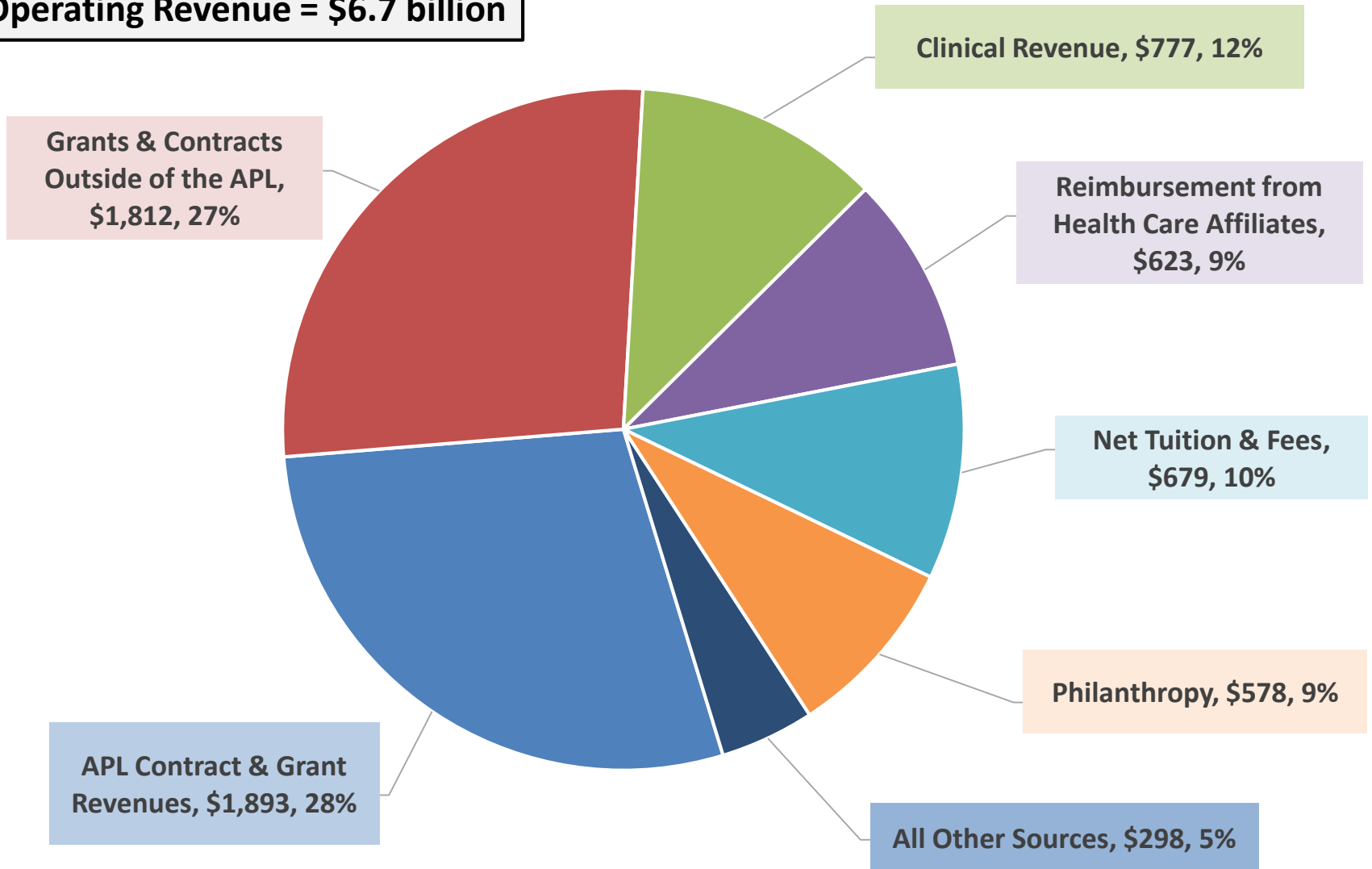
(\$ millions, GAAP Basis)



JHU Operating Revenue

FY21 Year-End Actual, \$ millions

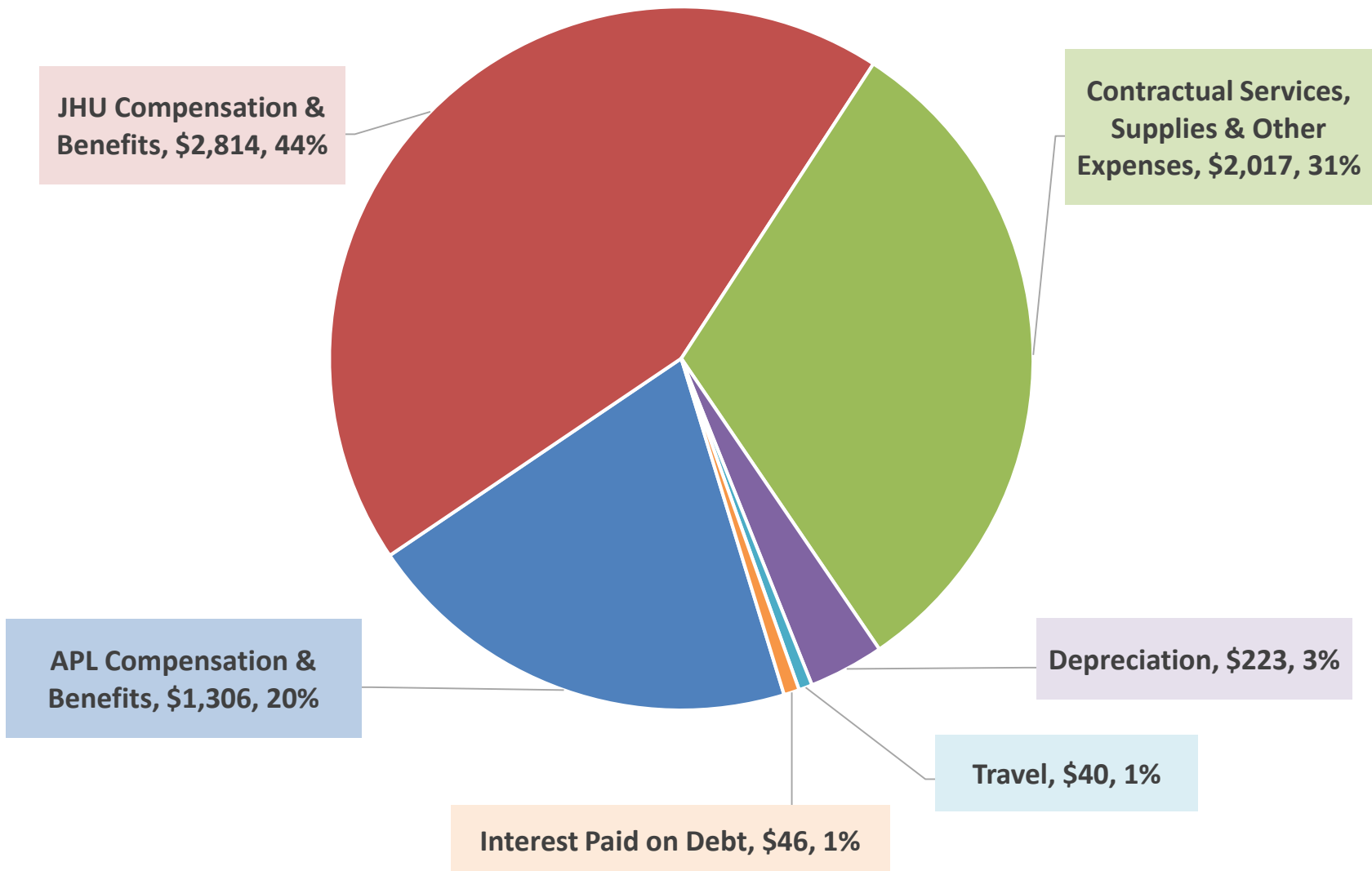
Operating Revenue = \$6.7 billion



JHU Operating Expense

FY21 Year-End Actual, \$ millions

Operating Expense = \$6.4 billion

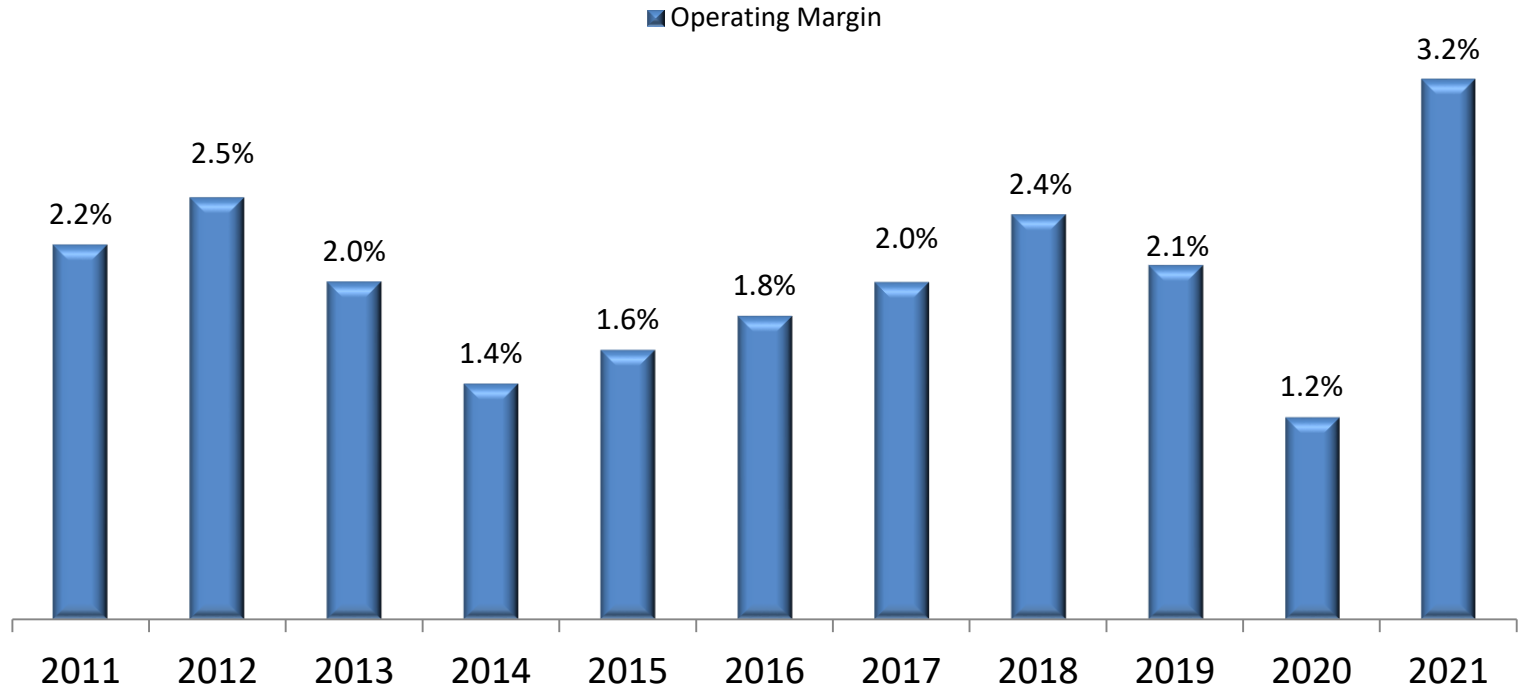




FY21 Year End Results (July 1, 2020 - June 30, 2021)

GAAP Operating Margin

(\$ millions)



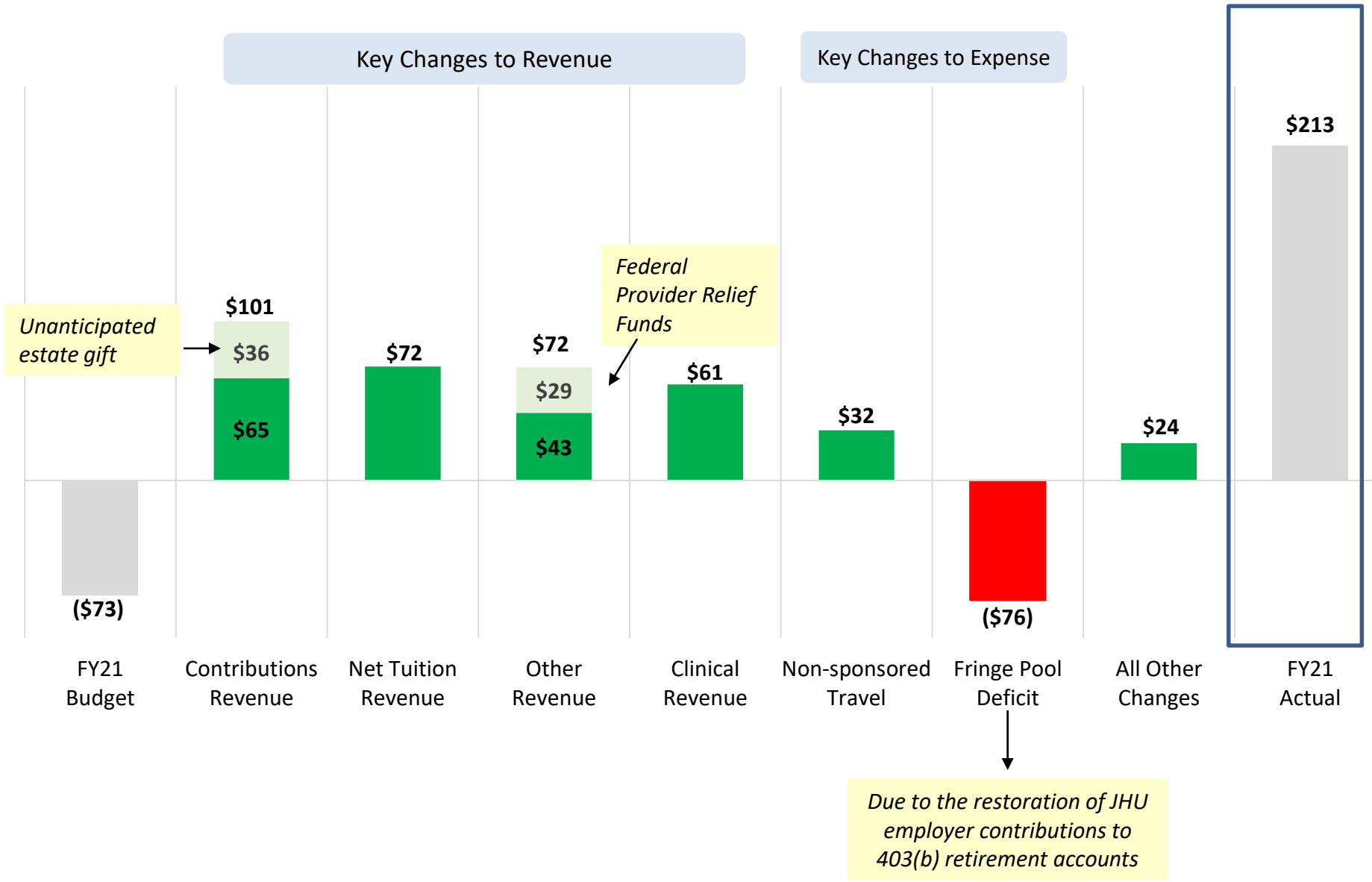
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Result	\$98	\$115	\$95	\$70	\$81	\$98	\$112	\$146	\$133	\$75	\$213

Total Revenue	\$4,370	\$4,561	\$4,794	\$4,971	\$5,172	\$5,430	\$5,736	\$6,021	\$6,410	\$6,471	\$6,659
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YOY % Change in Revenue	6.5%	4.4%	5.1%	3.7%	4.0%	5.0%	5.6%	5.0%	6.5%	1.0%	2.9%
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FY21 Budget vs. FY21 Actual Operating Result

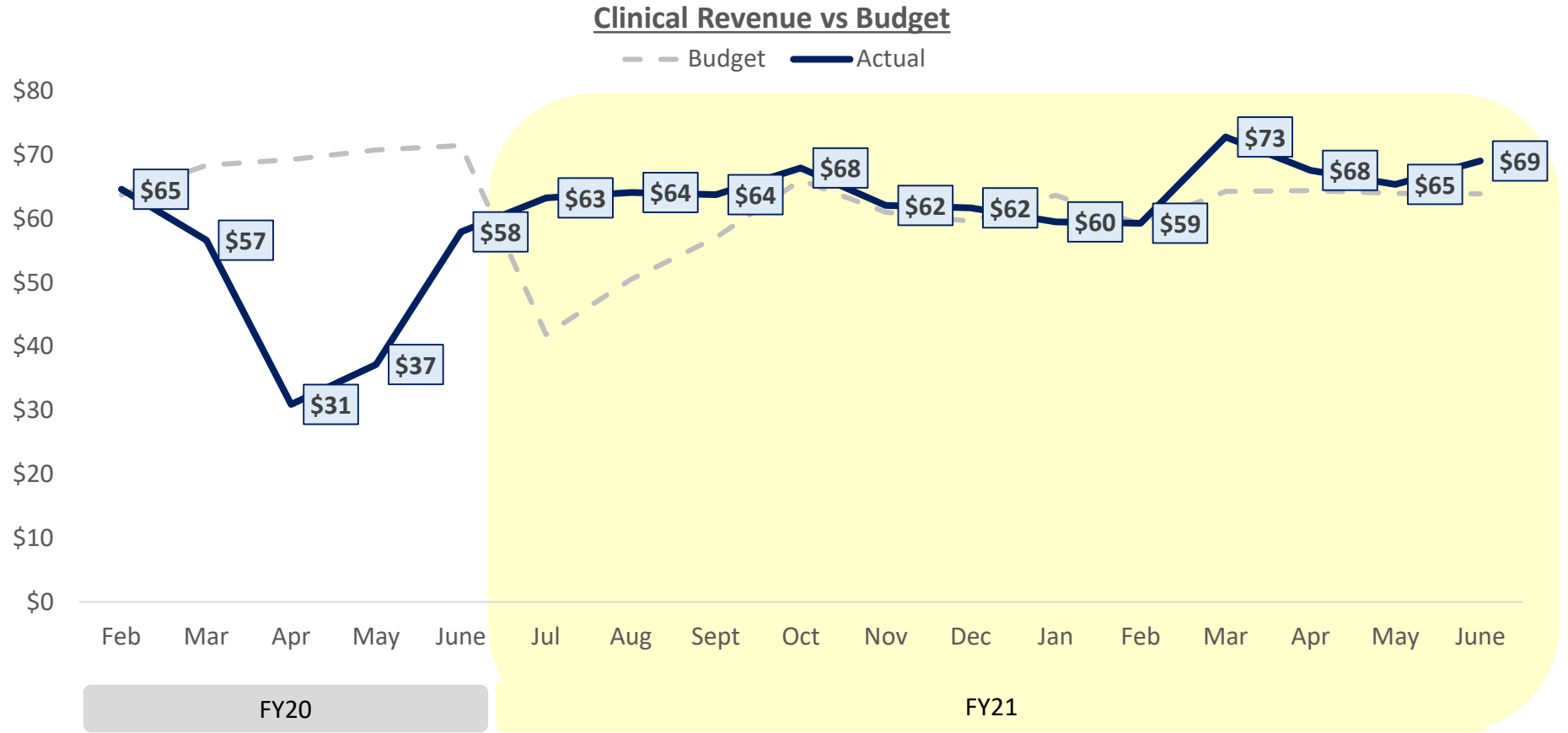
(\$ millions)



*Note that All Other Changes was updated from \$32M in the presentation version to \$24M, as the \$32M was an error.

Clinical Revenue – FY21 Actual vs Budget

(\$ millions)



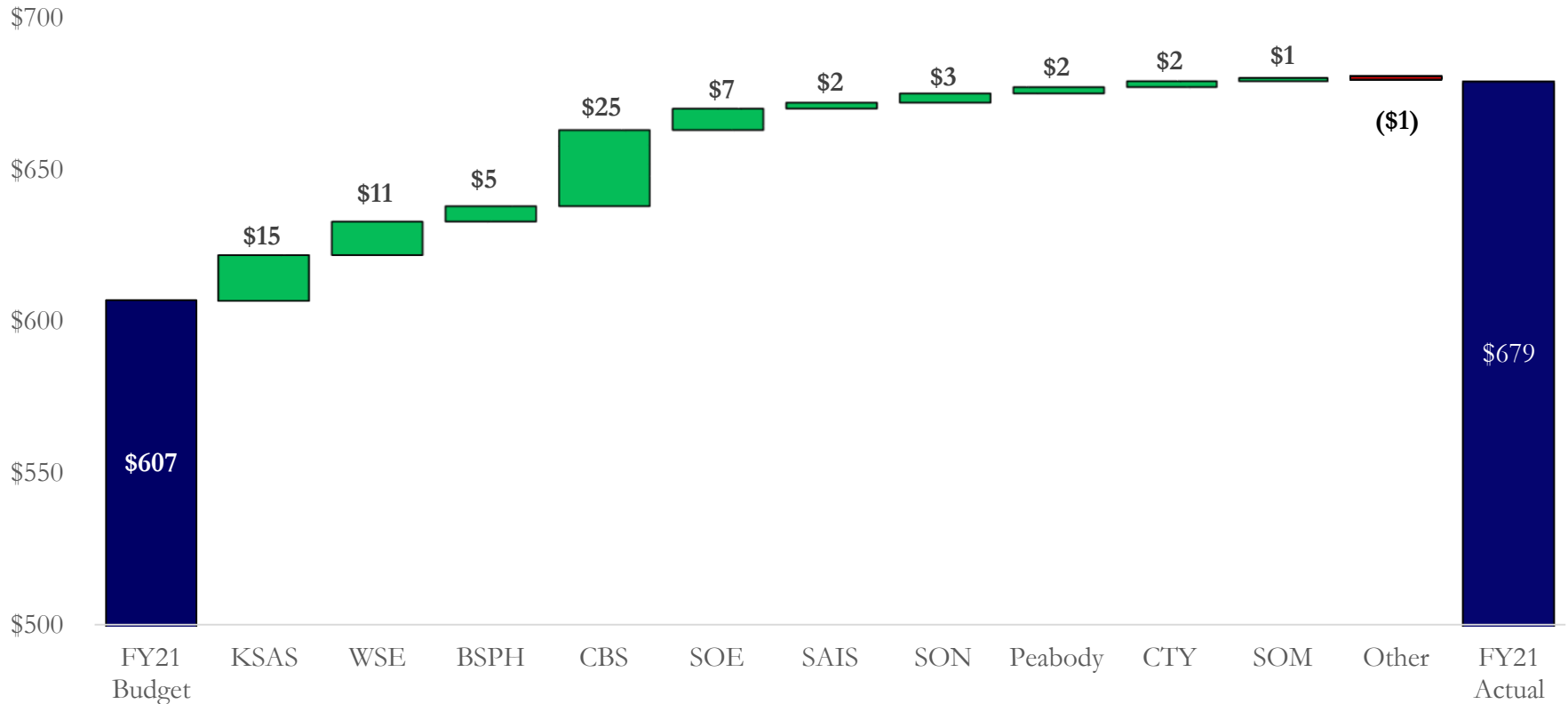
	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
vs Budget	1%	-17%	-55%	-48%	-19%	51%	27%	12%	3%	2%	4%	-7%	0%	13%	5%	2%	8%

*Note: The shutdown of elective, non-urgent patient care due to the COVID-19 pandemic began in mid-March 2020.

Net Tuition and Fee Revenue – FY21 Actual vs Budget

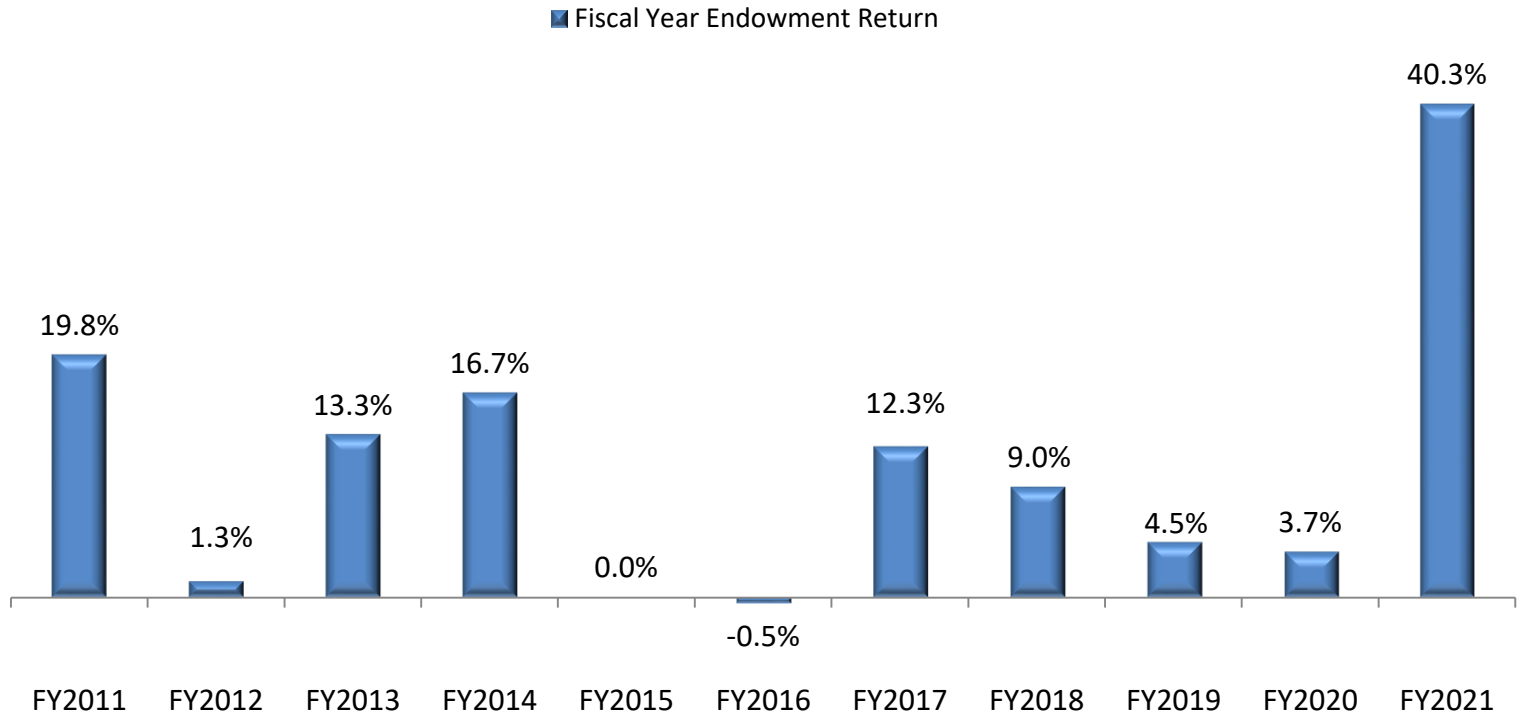
(\$ millions)

FY19 Actual	FY20 Actual	FY21 Budget	FY21 Actual	FY21 Actual vs Budget	FY21 Actual vs FY20
\$690M	\$703M	\$607M	\$679M	+\$72M	-\$24M



Endowment Performance and Assets

(\$ millions)



End of Year
Total
Endowment
Assets

FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
\$2,598	\$2,593	\$2,919	\$3,393	\$3,327	\$3,307	\$3,745	\$4,191	\$6,276	\$6,750	\$9,315



**Fiscal Year 2022
(July 1, 2021 - June 30, 2022)**

FY22 Current Year Budget

The current year budgets for JHU divisions reflect the following:

- Full restoration of employee retirement benefit contributions, which occurred in the spring of 2021
- Salary increases (in line with or better than normal/typical years)
- A return to normal/typical hiring activity (i.e., no university-wide hiring freeze)