

COLLEGE OF WILLIAM & MARY



Committee on Financial Affairs

Board of Visitors

April 16, 2010

COLLEGE OF WILLIAM AND MARY
FINAL GENERAL ASSEMBLY 2010-12 BUDGET ACTIONS

<u>ITEM</u>	<u>FINAL GENERAL ASSEMBLY</u>	<u>HOUSE</u>	<u>SENATE</u>
<i>Faculty/Staff Salaries</i>	<i>3% Bonus (2011) (If funds available)</i>	<i>3% bonus (2012)</i>	<i>3% bonus (2012)</i>
<i>Furlough</i>	<i>1 day (2010) (higher ed. may find savings In other ways)</i>	<i>None</i>	<i>1 day (2010) 3 days (2011) 3 days (2012)</i>
<i>VRS Contribution (Current employees)</i>	<i>No required employee contribution</i>	<i>No required employee contribution</i>	<i>1% employee (2011) 2% employee (2012)</i>
<i>Optional Retirement (Current employees)</i>	<i>No required employee contribution</i>	<i>No required employee contribution</i>	<i>1% employee (2011) 2% employee (2012)</i>
<i>VRS Contribution (New employees)</i>	<i>State contribution + 5% required employee contribution</i>		
<i>Optional Retirement (New employees)</i>	<i>8.5% State contribution + 5% required employee contribution</i>		
<i>Cash Match</i>	<i>Restores match over two years</i>	<i>Restores match</i>	<i>Suspends match</i>
<i>Auxiliary Fund Balances</i>	<i>No transfer</i>	<i>No transfer</i>	<i>No transfer</i>

COLLEGE OF WILLIAM AND MARY
FINAL GENERAL ASSEMBLY 2010-12 BUDGET ACTIONS

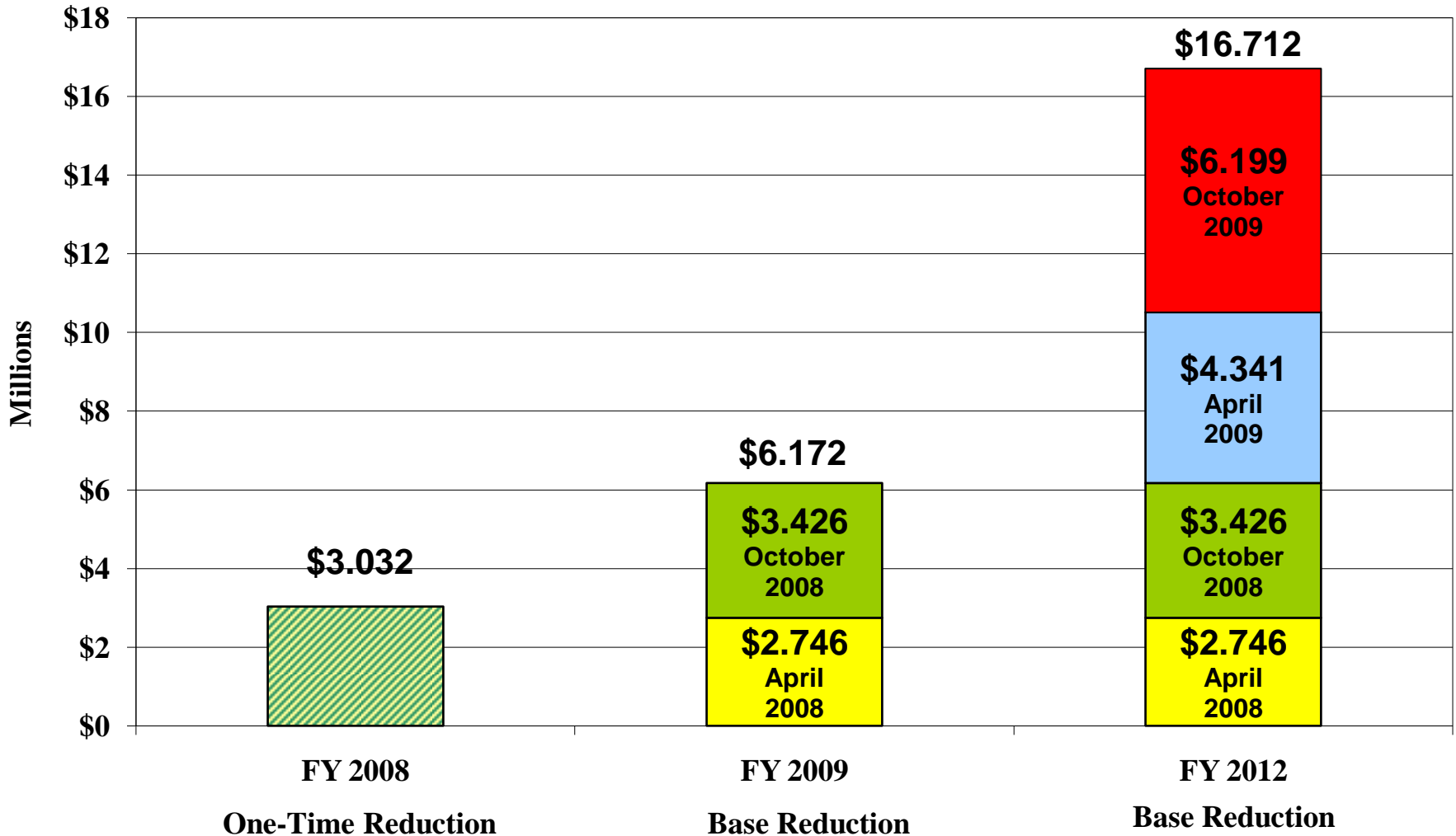
<u>ITEM</u>	<u>FINAL GENERAL ASSEMBLY</u>	<u>HOUSE</u>	<u>SENATE</u>
<i>ARRA Funds (Federal stimulus)</i>	W&M \$6.9 m (2011) VIMS \$3.1 m (2011) Report required	W&M \$6.9 m (2011) VIMS \$1.5 m (2011) Redistributes among institutions	W&M \$6.9 m (2011) VIMS \$3.1 m (2011)
<i>Base Funding Reduction</i>	W&M -\$6.1 m (2012) VIMS -\$2.8 m (2012)	W&M -\$7.6 m (2012) VIMS -\$1.0 m (2012) Redistributes among institutions	W&M -\$6.1 m (2012) VIMS -\$2.8 m (2012)
<i>Eminent Scholars</i>	Continue FY 2010 reduction Additional 50% reduction (2011) W&M -\$458,320	Eliminate program W&M -797,078	Continue FY 2010 reduction W&M -\$119,562
<i>Capital Fee (In-state students)</i>	-none-	-none-	\$2.50 per credit hour
<i>Capital Fee (out-of-state students)</i>	Increase from \$10.00 to \$15 per credit hour	-none-	-none-
<i>Equipment Trust Fund</i>	\$56 million Reallocates and adds research	\$56 million Reallocates and adds research	\$50 million
<i>Tuition Policy</i>	No restrictions	No restrictions	No restrictions
<i>In-state/Out-of-State</i>	No change in policy	No change in policy	No change in policy

COLLEGE OF WILLIAM AND MARY
FINAL GENERAL ASSEMBLY 2010-12 BUDGET ACTIONS

<u>ITEM</u>	<u>FINAL GENERAL ASSEMBLY</u>	<u>HOUSE</u>	<u>SENATE</u>
<i>Capital Projects</i>			
--Maintenance Reserve	\$50 million (2011) (Statewide; redistributed among institutions)	\$50 million/year (Statewide; redistributed among institutions)	\$50 million/year (Statewide)
--Utility Improvements	Scope change approved Nongeneral funds authorized	Scope change approved Nongeneral funds authorized	Scope change approved
--Tucker Hall Renovation	Bond savings (from 2008 authorization)	Bond savings (from 2008 authorization)	New bond package
--Integrated Science Center	Planning & Construction Bond package Subject to available debt capacity	Planning \$2.0 GF Construction: none	Planning \$2.0 treasury loan Construction: Bond package
--Other projects	Dorm Renovations Construction: New Residence Hall Reconstruction: Ash lawn Barn Improvements: Athletic Facilities		

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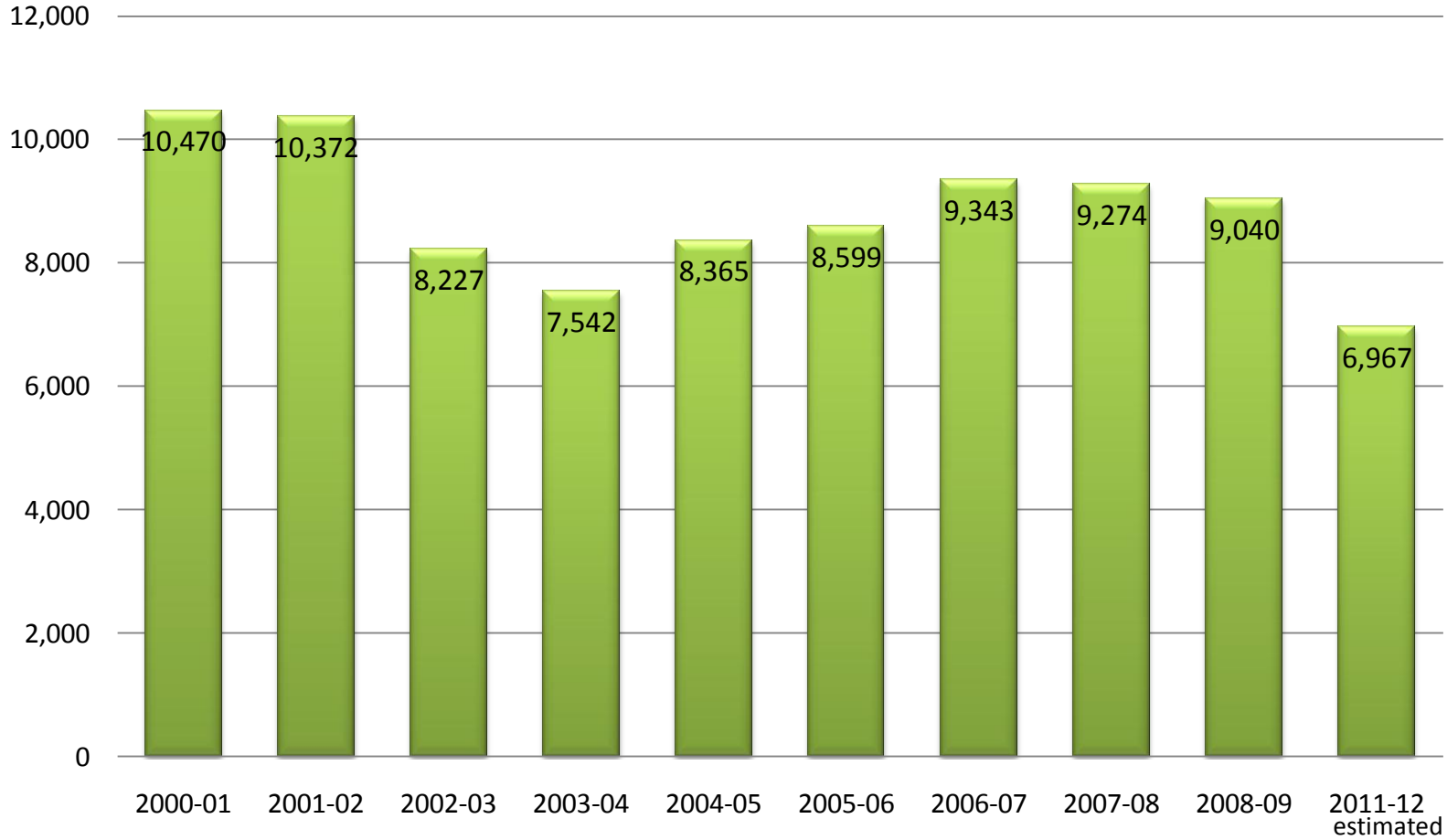
Reduced State Support for Operations (2008-2012)



College of William and Mary

**General Fund Appropriations Per In-State FTE
(in current dollars)**

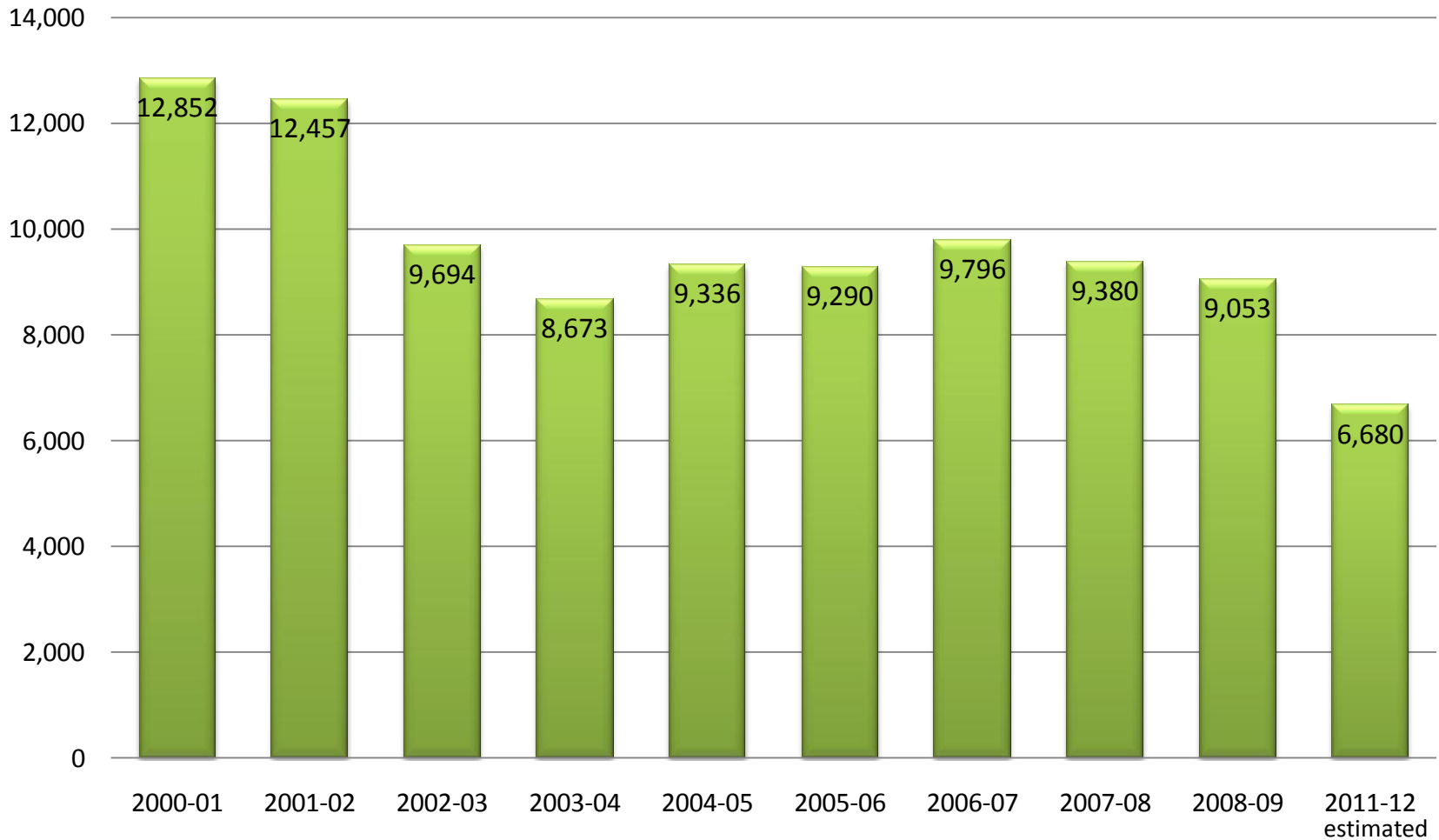
FY 01-12 Change: -33.5%



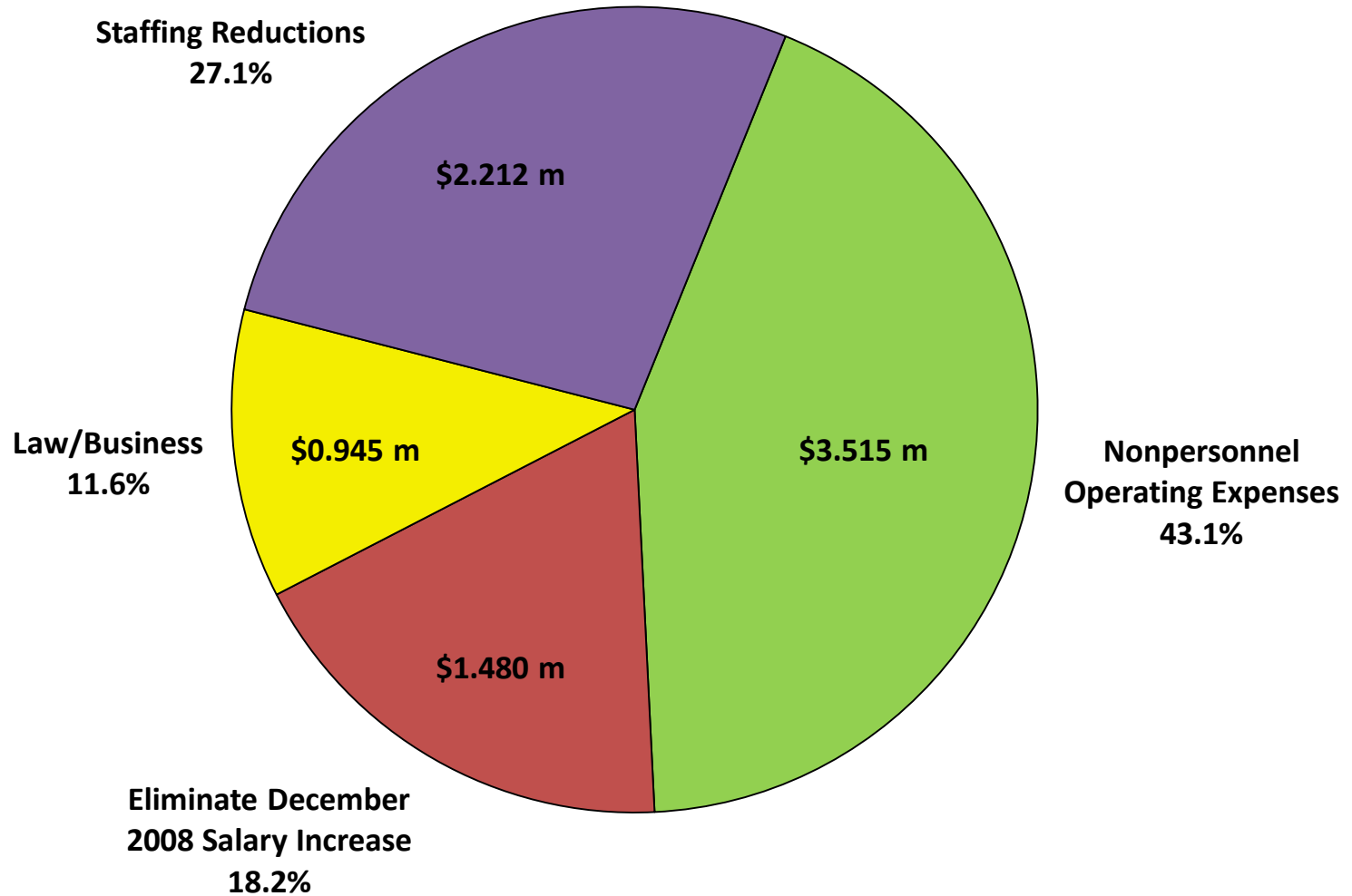
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General Fund Appropriations Per In-State FTE (in 2010 constant dollars)

FY 01-12 Change: -48%



**Distribution of Base Budget Reductions
\$8.152 million**



COLLEGE OF WILLIAM AND MARY

FY 2011 BUDGET PRIORITIES

- Maintain the quality of academic programs
- Address Strategic Planning challenges/goals
- Limit the impact of state funding reductions
 - Accept federal stimulus funds
 - Targeted budget reductions
- Recognize the one-time nature of federal stimulus funds for FY 2011 and prepare for additional state funding reductions that will occur in FY 2012
- Balance revenue need with student affordability
 - Undergraduate need-based aid
 - Graduate financial aid

COLLEGE OF WILLIAM AND MARY

FY 2011 BUDGET PRIORITIES

- Invest in the College's infrastructure
 - School of Education
 - Cohen Career Center
 - Small Hall Expansion
 - Cooling plant/utility infrastructure

- Use all fund sources to address funding requirements

- Continue to aggressively seek private funds and other revenue sources
 - Fund Raising
 - Federal grants and contracts

COLLEGE OF WILLIAM AND MARY
FY 2011 REVENUE AND EXPENSE ACTIONS

Educational and General Programs

Incremental Base Expenditures:

- | | |
|---------------------------------------|-------------------------|
| • <i>Health Insurance (+3%)</i> | \$ 189,000 |
| • <i>Career Center staff/programs</i> | 145,000 (ch.3 goal 1) |
| • <i>School of Education IT</i> | 70,000 (ch.5 goal 2) |
| • <i>New facilities</i> | 1,486,000 (ch.5 goal 3) |
| • <i>Utility rate increase</i> | 238,000 |
| • <i>Fundraising/development</i> | 800,000 (ch.4 goal 1) |
| • <i>Finance/Administration</i> | 210,000 (ch.5 goal 4) |
| ○ <i>Emergency management</i> | |
| ○ <i>Compliance/reporting</i> | |

One-time Expenditure

- | | |
|--|---------------------------------|
| • <i>Faculty/Staff bonus (College share)</i> | <u>1,954,000</u> (ch.1, 4, & 5) |
| <i>Total Incremental Expenditures</i> | \$5,092,000 |

Student Financial Assistance

- | | |
|---------------------------------------|--------------------------|
| • <i>Graduate student support</i> | \$ 500,000 (ch.1 goal 2) |
| • <i>Undergraduate need-based aid</i> | To be determined |

COLLEGE OF WILLIAM AND MARY
FY 2011 REVENUE AND EXPENSE ACTIONS

Summary of Budget Allocation for New Facilities Coming On-line

Maintenance Staffing (salary and fringes)

• 2 HVAC technicians	\$125,820
• 1 Electrician	57,240
• 1 Plumber	54,229
• 1 Grounds	<u>39,500</u>
	\$276,789

Maintenance/Service Contracts

• School of Education	\$294,593
• Cohen Career Center	37,912
• Small Hall Expansion	71,265
• Power Plant	<u>70,426</u>
	\$474,196

Utilities

• School of Education	\$335,873
• Cohen Career Center	23,082
• Small Hall Expansion	<u>33,660</u>
	\$392,615

Housekeeping

• School of Education	\$264,750
• Cohen Career Center	34,850
• Small Hall Expansion	<u>42,800</u>
	\$342,400

GRAND TOTAL **\$1,486,000**

COLLEGE OF WILLIAM AND MARY
FY 2011 REVENUE AND EXPENSE ACTIONS

<i>FY 2011 Federal Stimulus Funds (1-time)</i>	<i>\$6,884,000</i>
<i>Less FY 2010 stimulus allocation</i>	<u><i>-2,188,000</i></u>
<i>Available Federal Stimulus Funds</i>	<i>\$4,696,000</i>

One-time Educational and General Expenditures:

• <i>Instructional and Research</i>	<i>\$1,230,000</i>
• <i>Equipment</i>	
• <i>Equipment upgrade: PBK</i>	<i>645,000 (ch.5 goal 3)</i>
• <i>Faculty start-up pool</i>	<i>800,000 (ch.1 goal 2)</i>
• <i>Grant match</i>	<i>325,000 (ch.4 goal 1)</i>
• <i>Efficiency/effectiveness pool</i>	<i>100,000 (ch.5 goal 1)</i>
• <i>Strategic planning studies</i>	<i>80,000 (ch.1-6)</i>
• <i>M&O funds (3%)</i>	<i>715,000 (ch.1 goal 2)</i>
• <i>Contingency</i>	<u><i>801,000</i></u>

Total One-time E&G Expenditures ***\$4,696,000***

COLLEGE OF WILLIAM AND MARY
FY 2011 REVENUE AND EXPENSE ACTIONS

Recognize that for FY 2012 the College will:

- *Lose Federal stimulus funds supporting base* **\$2,188,000**

 - *Face an additional base reduction in State support* **4,636,000**
- Total FY 2012 Loss in Base Support* **\$6,824,000****

COLLEGE OF WILLIAM AND MARY
FY 2011 REVENUE AND EXPENSE ACTIONS

Budget Drivers: Auxiliary Enterprise Activities

- *Faculty and Staff Salary Bonus (3%)*
- *Health Insurance (+3%)*
- *Debt Service*
 - *Residence Hall Renovations*
 - *Construction: Residence Hall*
 - *Utility Improvements (phase 3)*
- *Contractual Obligations*
- *Athletic Grants-in-aid*