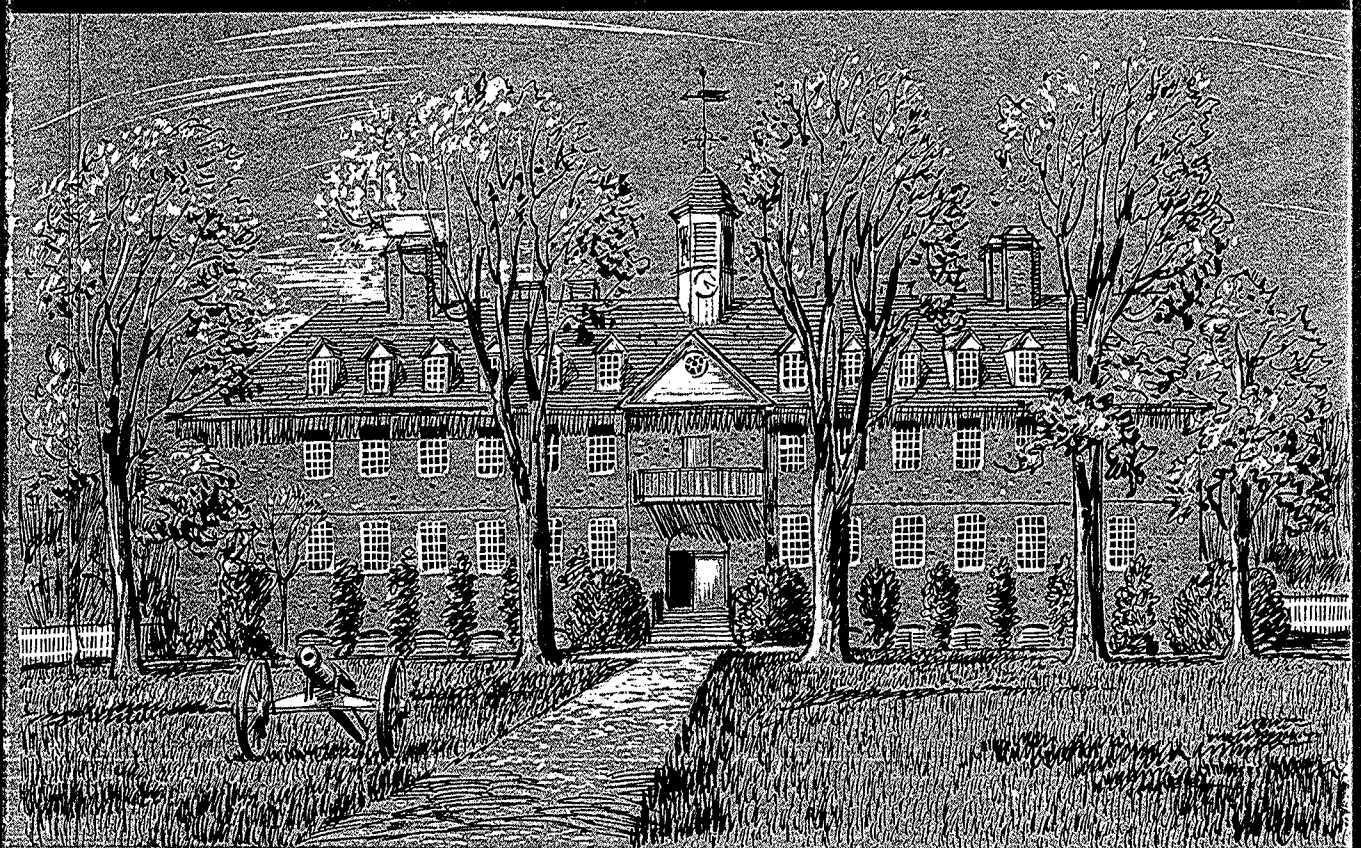




REPORT OF SELF-STUDY OF THE  
COLLEGE OF WILLIAM AND MARY 1964



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A SELF-STUDY  
" "  
of  
THE COLLEGE OF WILLIAM AND MARY  
IN VIRGINIA

College of William and Mary



Williamsburg, Virginia

April, 1964

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## FOREWORD

Under the Institutional Self-Study and Periodic Visitation Program of the Southern Association of Colleges and Schools, the College of William and Mary as a member institution is required once every ten years to conduct a self-study and to report thereon to the Association. When the time came for the College of William and Mary to discharge this responsibility, President Davis Y. Paschall and the Board of Visitors welcomed the opportunity not only to meet the requirement of the Southern Association but also to review the state of the College as a basis for planning its long-range development. No comprehensive self-study of the College had been undertaken since 1953 and the study of that year, antedating the Association's program, had been reported only to the then-President of the College.

In November, 1962, President Paschall appointed as the Steering Committee for the Self-Study of the College of William and Mary the following seven members of the faculty:

Thomas C. Atkeson, Professor of Taxation, Marshall-Wythe School of Law

Frank B. Evans, Professor of English

Harold L. Fowler, Professor of History, Chairman of the Department of History, and Chairman of the Division of Social Sciences

William G. Guy, Chancellor Professor of Chemistry, Chairman of the Department of Chemistry, and Chairman of the Division of Natural Sciences

Howard K. Holland, Professor of Education, Chairman of the Department of Education, and Dean of the School of Education

Joseph R. Lee, Professor of Mathematics

Frank A. MacDonald, Professor of Philosophy, Chairman of the Department of Philosophy, and Chairman of the Division of Humanities

The Steering Committee elected Professor Fowler as its chairman and Professor Evans as its secretary.

As chairmen and members of committees to conduct the self-study in designated areas and to prepare reports, the Steering Committee selected the following members of the faculty, administrative officers, members of the Board of Visitors, alumni, and students:

Committee on Purpose and Objectives: Professors Fraser Neiman (chairman), Ludwell H. Johnson, John Lachs, and John L. McKnight; Mr. W. Brooks George, member of the Board of Visitors.

Committee on Financial Resources: Professors Charles L. Quittmeyer (chairman), Morton J. Frisch, M. B. Jones, William T. Reece, and Anthony L. Sancetta; Mr. Robert T. English, Jr., Bursar; Mr. Robert T. Hornsby, alumnus; Mr. Walter G. Mason, member of the Board of Visitors.

Committee on Administrative Organization: Professors R. Wayne Kernodle (chairman), Melvin A. Pittman, Richard Powers, and Thaddeus W. Tate, Jr.; Mr. Duncan Coker, alumnus; Mr. T. Edward Temple, member of the Board of Visitors.

Committee on Educational Program: Professors Stanley B. Williams (chairman), Nathan Altshuler, Richard W. Copeland, Dorothy W. Dyer, Leon Golden, David J. Gray, E. Ray Harcum, David C. Jenkins, Alexander Kallos, John R. Matthews, Virgil V. McKenna, John A. Moore, Richard K. Newman, Jr., Donald Nunes, Robert A. Pedigo, Thomas L. Reynolds, Richard B. Sherman; and Robert E. Smith; Janet Beers, Dean Flippo, Jerry Gimmel, Ann Harvey, Jeffrey Marshall, Frances McCampbell, Valerie Simms, Tobey Sindt, Tony Steinmeyer, James Truxell, Jerry Van Voorhis, and Lynda Walker, students.

Committee on the Library: Professors Bruce T. McCully (chairman), Lester J. Cappon, G. Glenwood Clark, Arthur W. Phelps, James A. Servies (librarian), and Fred W. Weiler.

Committee on the Faculty: Professors W. Warner Moss (chairman), Kenneth F. Bick, Lewis A. Foster, Jr., David J. Gray, Cecil M. McCulley, Marcel Reboussin, Jean E. Scammon, and Frederick D. Truesdell.

Committee on Student Personnel: Professors LeRoy W. Smith (chairman), Paul N. Clem, Carl R. Dolmetsch, Thomas A. Duke, Jr., J. Ward Jones, Edward Katz, Reino Korpi, James D. Lawrence, Jr., Marion D. Reeder, Carl A. Roseberg, Howard M. Scammon, and Howard M. Smith, Jr.; Carson H. Barnes, Jr., Dean of Men; Elizabeth C. Morrow, Assistant Dean of Women; Karen Back, Tom Bosserman, David Hunter, Patti Pound, and Buckley Riegelman, students.

Committee on Physical Plant: Professors Alfred R. Armstrong (chairman), John T. Baldwin, Jr., Edwin H. Rhyne, and Thomas E. Thorne;

Mr. Ervin D. Farmer, Superintendent of Buildings and Grounds; Jeff Graham, Ken Hutchinson, Vivian Jones, and Lynn Meushaw, students.

Committee on Research: Professors Hibbert D. Corey (chairman), Mitchell A. Byrd, E. Ray Harcum, Donald E. McLennan, and Dwynal B. Pettengill.

Committee on Graduate Study: Professors Thomas L. Reynolds (chairman), William W. Abbot, Robert E. L. Black, Armand J. Galfo, Donald E. McLennan, and Richard K. Newman, Jr.

Committee on Special Activities: Professors Gordon B. Ringgold (chairman), Carl G. Balson, Benjamin R. Cato, Peter L. Derks, Roderick A. Ironside, and John S. Quinn.

Editorial Committee: Professors Frank B. Evans (chairman), William W. Abbot, Charles E. Davidson, and James R. Shuster.

Each academic department of the College was asked to conduct and report on an evaluation of itself according to a guide prepared by the Steering Committee. As these departmental reports were received during the spring and summer of 1963, they were studied by the Steering Committee and appropriate sections of them were turned over to the area committees, which were already independently at work investigating their designated sectors. Reports of the area committees were studied by the Steering Committee beginning in the spring of 1963 and continuing through the first semester of the 1963-64 academic session.

The departmental and area committee reports generally reflected the state of the College during the academic session of 1962-63, although in some instances the latest information available was for the fiscal year ending June 30, 1962. But since some important changes have occurred in the College during the period of the study, the Steering Committee has attempted to bring the picture up to date whenever this was possible and significant.

The report which follows must be considered the report of the Steering Committee, although it is based upon and could not have been prepared without the reports of the committees for particular areas and without the generous assistance of administrative officers. The Steering Committee wishes to record its gratitude and thanks to the committee chairmen and members, who made the area reports informative, complete, and often penetrating. The original reports of the area committees are on file in the office of the Self-Study and are available to anyone who has a legitimate interest in consulting them. Most of the substance of these reports has been incorporated in this one, often verbatim, but sometimes condensed and differently organized. In some instances, however, the Steering Committee has modified conclusions and recommendations made by the area committees when in its judgment the broader interests of the whole College, involving all areas, warranted such modifications. Some recommendations have been made more

precise and stated more strongly. Others have been rejected but it is hoped that none have been ignored. For the conclusions, suggestions, and recommendations made in the following pages, the Steering Committee accepts full responsibility.

Finally, we desire to express our appreciation for the devoted and skilful aid of Mrs. Margherite Smith in preparing this report for publication.

Thomas C. Atkeson  
Frank B. Evans  
William G. Guy  
Howard K. Holland  
Joseph R. Lee  
Frank A. MacDonald  
Harold L. Fowler, Chairman

March 1, 1964

I

PURPOSE AND AIMS

Historical Background

In 1693, "to the end that the Church in Virginia may be furnish'd with a Seminary of Ministers of the Gospel, and that the Youth may be piously educated in good Letters and Manners, and that the Christian Faith may be propagated amongst the Western Indians," King William and Queen Mary granted a charter investing certain trustees with authority "to erect, found and establish a certain Place of universal Study, or perpetual College, for Divinity, Philosophy, Languages, and other good Arts and Sciences, consisting of one President, six Masters, or Professors, and an hundred Scholars, more or less, Graduates and Non-Graduates ...." These phrases of the Royal Charter define the original aims and purposes of the College of William and Mary in Virginia.

Nearly three centuries of history have inevitably altered the College and outmoded some specific terms of the Charter of 1693. During the eighteenth century the College operated an Indian School, provided Virginia with a trained clergy, and produced a remarkable number of graduates who in the critical Revolutionary period stepped forward as political leaders of the new nation. But the Indian School languished and failed to survive the Revolution. In 1779, under the direction of Thomas Jefferson, the College was reorganized and its curriculum revised to include such disciplines relevant to the times as political economy, jurisprudence, and modern languages. During the early nineteenth century William and Mary continued to be a leading college, especially in the South, drawing an increasing number of students from southern states and exerting a significant influence on the thought of southern leaders. But the ravages of civil war, followed by economic distress, destroyed its resources; the College, though it had re-opened with the return of peace, was forced in 1881 virtually to suspend operations for lack of funds. It was enabled to resume in 1888, when the General Assembly of Virginia, confronted with a desperate need for trained teachers in the public schools, enacted a statute establishing a normal school at the College "in connection with its collegiate course" and appropriated \$10,000 in its support. With the formal transfer of its property to the Commonwealth in 1906 William and Mary acquired unique status as a state-controlled liberal arts college.

More recently, the size and activities of the College have been amplified far beyond anything contemplated in the Charter of 1693. A

summer session was initiated in 1912 and an extension division in 1919. By statute, the College became coeducational in 1918, and during the next decade the student body increased from somewhat more than one hundred to over a thousand students. The College expanded to include the Richmond Division (now the Richmond Professional Institute) in 1925 and the Norfolk Division (now Old Dominion College) in 1930. The Institute of Early American History and Culture was organized in 1943 as a cooperative endeavor between the College and Colonial Williamsburg. An evening college came into being in 1952. In 1954 the Department of Jurisprudence became the Marshall-Wythe School of Law. The Department of Marine Science was elevated to the status of a School in 1961. In the same year, the Department of Education became a School; in 1963 it reverted, at the undergraduate level, to the status of a department. In 1960, by act of the legislature, the administrative organization known as the Colleges of William and Mary was created. This system placed the College in Williamsburg, the Richmond and Norfolk Divisions, and two new junior colleges at Newport News and Petersburg, each with its president or director, under the general supervision of a chancellor and an enlarged Board of Visitors. In 1962, the legislature abolished this system, making the divisions independent and placing the junior colleges under the supervision of a chancellor or coordinator responsible to the Board. Also in 1962 the legislature obligated the College, the University of Virginia, and Virginia Polytechnic Institute to manage cooperatively a space radiation effects laboratory to be constructed on the peninsula by the National Aeronautics and Space Administration and to provide resident graduate instruction in the Hampton Roads area. The Virginia Associated Research Center came into being as the organization through which the three cooperating institutions might conduct this task.

During the 1950's enrollment again increased by over one-half until in 1962-63 it reached approximately 2800 students in the regular session, including nearly one hundred master's candidates and almost as many law students.

During this period of growth and change, several studies have been made both by the College itself and by others which relate to its purpose and activities. In 1953, the College engaged in a self-study, the report of which however was not made generally available or acted upon as a whole. The study Higher Education in the Tidewater Area of Virginia was published in 1959 under the auspices of the State Council of Higher Education. Besides much factual information, this study contained among its seventeen recommendations (pp. 177-203) several which were specifically pertinent to the College. It proposed the system of the Colleges of William and Mary which operated from 1960 to 1962. The recent report of the Commission on Higher Education in the South, Within Our Reach (1962) contains recommendations pertinent to this College. The State Council of Higher Education has from time to time made studies and proposals affecting William and Mary.

None of these studies has brought about the adoption of a comprehensive and definitive statement of the aims and purposes of the College

which is agreed upon as an official declaration of policy. No formal statement of purpose appears in the catalogue or in other official publications, although these do frequently quote such phrases from the Royal Charter as "that the Youth may be piously educated in good Letters and Manners," "a College of good Arts and Sciences," "a Place of universal Study." Presidents of the College and other persons in positions of authority have of course defined their conceptions of the College in public utterances. Thus during the 1950's there appeared in various places the following formulation of the College's "mission":

(1) To provide for Virginia and the nation a distinctive combination of certain kinds of education characterized by superior quality, not easily matched elsewhere, and

(2) To provide in eastern Virginia such educational services at the student and adult level as are needed regionally and can best be administered in the interest of the Commonwealth through the agency of the College of William and Mary.

The present President, in his inaugural address, declared:

....it is the basic image and mission of the College of William and Mary in Virginia to provide the graduate who is the educated man-- one so steeped in the knowledge and values of a liberal education as to enable him to build the skills of future specialization without losing the perspective of the good life.

The Board of Visitors has from time to time adopted resolutions instituting specific programs which imply or make explicit particular aims. A resolution adopted by the Board on March 4, 1961, entitled "Advancement of Existing Programs to Expanded Levels of Knowledge and Excellence," gave the College broad guidelines for future development. In September 1962, the Board approved "in principle" a report quoting this resolution and the statements cited above, together with Governor Harrison's declaration in his address to the General Assembly on January 15, 1962, that the College "should enjoy a new birth as a truly great undergraduate institution of liberal arts and sciences, strengthening and improving the advanced programs it now has."

These various statements and studies have served to keep alive serious and frequently sharp controversy among faculty, students, administration, alumni, and friends of the College about its purpose, its size, and its proper aims. One view is that the College must expand into a large full-fledged university with no ceiling on enrollments; another is that it should contract in enrollment and function to a simon-pure college of liberal arts. The majority of opinion lies between these extremes. One view is that the College exists to serve the educational needs of Virginia in general and those of Tidewater in particular, and this is interpreted as a requirement to undertake any task



associated with education which any segment of the population may wish to have accomplished. Policy would thus be determined ad hoc as educational needs appear, whether they be for nuclear research or the training of high school musicians. Another view is that such a program would lead to the development of an amorphous university of the lowest grade, and its proponents insist that the greatest service William and Mary can perform for Tidewater, the Commonwealth, and the nation is to be a first-rate undergraduate college which would direct its efforts to those specific activities it is equipped to perform superlatively well. Many persons associated with the College believe that it can become a general service institution only by compromising the excellence of the undergraduate liberal arts program which they regard as its essential, traditional, and unique responsibility. There is a widespread conviction among the faculty that every proposal for the expansion of educational services and functions should be evaluated first in terms of whether it aids or hinders the College in providing the opportunity for an undergraduate liberal education second in quality to none in the nation.

There are many variations of the views just described. Their diversity and the vigor with which they are put forward reflects a commendable concern for the future welfare of the College and at the same time suggests the conviction that its effective conduct demands the emergence of a clear and common purpose if it is to assume its proper place in the forefront of American education.

#### What are the Purpose and Aims of the College?

The recent history of William and Mary demonstrates a measure of uncertainty and confusion as to the real aims of the College. This uncertainty and confusion is not peculiar to this institution. It is in large part a product of the rapid and confusing social, technological, and ideological changes which mark our modern world. But even in the midst of change, it is evident that the College has not lost sight of the fundamental purpose for which it was founded. With a long history of diverse activities, the College of William and Mary has nevertheless always been regarded as primarily an undergraduate liberal arts college. If the purpose of an institution can be elucidated by its history, then such has been the purpose of William and Mary, because throughout the years the one continuing and unifying theme, transcending all other considerations, has been devotion to the task of providing an excellent education in the liberal arts and sciences. Whether expressed in phrases from the Charter of 1693 or in the words of a recent inaugural address, this remains the great purpose of the College at the present and for the future.

Agreement to this general purpose raises the more specific yet still broad and complex question, What are the objectives of the liberal arts college? Liberal education is based on the premise that there are some values and principles whose timeless significance for mankind can be discovered only if they are the object of free inquiry and constant re-assessment by each succeeding generation. Without

this kind of inquiry man can never attain spiritual and intellectual fulfillment. Technological and social revolution has not made inquiry into these principles and values irrelevant to the present. On the contrary, this inquiry has become more pertinent and more necessary than ever. If man is to use his new industrial and scientific tools so as to allow the human spirit to realize its fullest potentialities, he must explore, attempt to discover, and thereby increase his knowledge and wisdom through the pursuit of truth.

The purpose of liberal education, then, is to assist the student in this search for truth: truth about himself, about his fellow man, and about the physical universe. It is essential that citizens, especially those called upon to make significant decisions, understand their society, its underlying philosophy, its history and traditions, and the political, economic, and social principles which govern its growth. They must know their cultural heritage in literature, science, and the arts, both for constructive citizenship and for the personal fulfillment that enriches their own lives.

To this end the College of William and Mary aims to produce "the educated man-- one so steeped in the knowledge and values of a liberal education as to enable him to build the skills of future specialization without losing the perspective of the good life." This is a commitment which demands of the College continual rededication to the conditions of educational excellence. It is also a concept that affords a guide by which the relevance or irrelevance of current activities of the College should be measured, and by which the relevance of future programs at the College should be judged. This role is one that can challenge the imagination of students, faculty, and administrators, and one for which the Commonwealth of Virginia has already expressed considerable support.

Conceived in this fashion, liberal education becomes dynamic and inclusive: while centered upon the search for truth, it is ever progressing, ever widening, never a frozen creed but constantly responsive to the growth of knowledge and to the swift changes in our society. Recognizing that the present-day facts of life place a premium upon specialized skills and professional training, William and Mary like many other liberal arts colleges offers special programs of professional training at both the undergraduate and graduate levels as well as graduate work for the master's degree in a number of the liberal arts. These graduate and professional programs are a natural extension and outgrowth of the undergraduate program of arts and sciences and they are related to the activities of institutions in the Williamsburg area such as the Virginia Institute of Marine Science at Gloucester Point, the National Aeronautics and Space Administration at Langley Field, the Eastern State Hospital at Williamsburg, the Institute of Early American History and Culture, and Colonial Williamsburg, Inc. Programs such as these, provided that they are related to the environment and special resources of the College and provided that they reinforce its undergraduate program, can render valuable service to the area, to the state, and to the nation.



As an educational institution conscious of its public responsibilities, the College stands ready to provide leadership and cooperation, as it has in the past, in the development of needed regional services. It does not follow, however, that the College must or should continue indefinitely to administer such services once they have been developed. As the College brought the Norfolk and Richmond divisions to the point where they might be made independent, it stands ready to relinquish such services when they can adequately be performed by other institutions and agencies in the area. These regional services cannot be allowed to overshadow or detract from the fundamental character of the College as primarily a residential college of liberal arts and sciences. This function is its distinctive service to the Commonwealth of Virginia and to the nation, a function which the College cannot compromise.

To make this contribution and to achieve a condition of excellence measured by national standards, the College must maintain a faculty which understands the nature of liberal education and which itself exhibits the highest qualities of scholarship and teaching both in liberal and special disciplines; it must attract a cosmopolitan student body able enough and properly prepared to benefit from such an education; it must have resources in library, laboratories, and other physical facilities commensurate with excellence; it must fix the size of the College, in terms of numbers as related to space and organizational structure, so as to permit recognition of the individual, an indispensable condition of liberal education; and it must cultivate a climate of opinion, an intellectual atmosphere, conducive to the attainment of its purposes.

#### A Proposed Statement

We believe that a comprehensive statement of the College's purpose and aims, condensing the spirit of the foregoing discussion but formulated in terms suitable for publication in the catalogue, will be useful in several ways. By defining the objectives of the College, it will help to further understanding and cooperation on the part of all concerned with the educational enterprise. It will clarify the image of the College in the eyes of prospective students, their parents, and the public generally. It will serve as a guide and reference point in the future development of the College and as a standard by which performance can be measured and the relevance of current and proposed activities evaluated.

The Steering Committee therefore recommends that the following statement of purpose and aims be approved as the official educational policy of the College:

The College of William and Mary is a coeducational and residential college of liberal arts and sciences. Its primary purpose is to educate men and women whose particular individual skills and abilities will derive meaning from a broad vision of the good life and the

good society. Liberal education is concerned with the pursuit of truth: truth about the nature of man, his culture, and the universe in which he lives. Believing that the richest fulfillment of human potential depends upon this pursuit of truth in its full range, the College attempts to guide all of its students into some understanding of each of the great basic disciplines of human learning. Only those who possess a measure of such understanding can hope to realize their fullest humanity and to become responsible citizens in a complex world. Therefore the College seeks to foster among its students a spirit of free and creative inquiry into the fundamental questions that perennially challenge man. It strives to uphold the ideal of excellence and truth as the only standard ultimately worthy of free men. It endeavors to provide in the life of the College community an environment where capable young men and women will learn these values by example and experience as well as by precept.

Within the context and on the basis of a liberal and humane education, the College offers undergraduate and graduate programs designed to prepare students with the special skills and knowledge necessary for a variety of careers in the contemporary world. The College does not attempt to provide training of all kinds for all men. It concentrates its efforts, rather, on those areas where by its traditions and special resources it is particularly competent to offer educational programs of the highest quality. Besides advanced undergraduate studies in the liberal arts and sciences, these areas include the professional fields of law and teaching and graduate studies in several disciplines, notably American history, the physical and life-sciences, and mathematics.

To accomplish its purpose of providing an education of unqualified excellence, the College seeks to maintain a faculty which exhibits the highest qualities of scholarship and teaching both in liberal and special disciplines; to attract a cosmopolitan student body able enough and properly prepared to benefit from such an education; to maintain resources in its library, laboratories, and other physical facilities commensurate with excellence; to design its physical campus and its organizational structure, in relation to the size of its student body, so as to permit the fullest recognition of the individual; and to cultivate, in the life of the College community, an intellectual atmosphere conducive to the attainment of its purposes.

II

FINANCIAL RESOURCES

As a prefatory note to the exposition and evaluation which follow, it should be indicated that the financial organization and procedures of the College are conditioned by the fact that it is state-supported. It is subject to the laws of the Commonwealth and the administrative rules and regulations of such state agencies as the Division of the Budget, the Personnel Office, the Comptroller, the Auditor of Public Accounts, the Treasurer, and the Division of Purchasing and Printing, as interpreted by the Attorney General.

1. Analysis of the Past

Revenues

Revenues of the College derive from state appropriations, tuition and fees, endowment, and other sources including the operation of auxiliary enterprises. Appropriations by the state legislature are the principal revenues. During the six fiscal years selected for this study, legislative appropriations (including both those for operation and maintenance and for capital outlay) furnished from 34% to 66% of all revenues. Tuition and fees comprised the next most significant source of funds. Receipts from auxiliary enterprises have also been large and during two of the selected years they exceeded tuition and fees. Within auxiliary enterprises the dining hall yielded the largest sum, followed closely by the residence halls. Endowment income has yielded about 3% each year. Legislative appropriations, combined with tuition and fees, accounted for 61% to 81% of total revenues.

The following table shows revenue sources in terms of simple percentages:

<u>Years</u>	<u>State</u>	<u>Tuition and Fees</u>	<u>Endowment</u>	<u>Other</u>
1952-3	50%	21%	4%	25%
1954-5	43%	24%	4%	29%
1956-7	66%	15%	3%	16%
1958-9	54%	21%	3%	22%
1960-1	50%	19%	3%	28%
1961-2	34%	27%	3%	36%

Supporting detail is shown in Table I-A appended to this report.

Several comments should be made in connection with Table I-A:

"Rental property" under endowment income is property owned by the Endowment Association that is controlled by the Board of Visitors. Income from endowment rental property has decreased over the selected years because of an increase in the amount of repair work.

"Other sources" of revenues include federal grants, other contract research, income from the Campus Center, and many miscellaneous items, federal grants being the largest.

Agency fund transfers include those concerning student activities fees, the alumni fund, publications, the William and Mary Athletic Association, and the like.

Net laundry income has increased because more business has been done without much increase in staff or equipment. Also, the student laundry fee has been made compulsory for all dormitory residents.

Expenditures

The largest expenditures are allocated to the statement heading designated "providing education." Between 1952 and 1962 this disbursement has ranged from 41% to 61% of total expenditures. Funds expended for capital outlay, except in several years, have been the next most significant item. Other major disbursements include outlays for the dining hall and for the operation of the residence halls. Scholarships and prizes constitute a small proportion, usually around 3%. (An interesting parallel is that these expenditures bear the same low proportion to total as endowment income bears to total revenues.) During the selected years, capital outlay and "providing education" together have accounted for 65% to 77% of all expenses.

The following table shows sectors of expenditures in terms of simple percentages:

<u>Years</u>	<u>Education</u>	<u>Capital Outlay</u>	<u>Scholarships and Prizes</u>	<u>Other</u>
1952-3	42%	29%	3%	26%
1954-5	61%	4%	3%	32%
1956-7	41%	28%	3%	28%
1958-9	48%	19%	3%	30%
1960-1	59%	11%	4%	26%
1961-2	59%	18%	3%	20%

Supporting detail is shown in Table I-B appended to this report. Several comments should be made in connection with Table I-B:

In 1958-59 the \$50,000 contribution to the Williamsburg Community Hospital was a non-recurring appropriation from state funds.

In 1961-62 general administration spending displayed sharp increase from the initial selected year of 1952-53. The advance can be attributed to a change to a more comprehensive system of bookkeeping. Moreover, the additions of the Campus Center, the office of director of development, and other major operations have generated expense increases within this area. Finally, in 1960-61 "welfare and supervision of students," with its attendant costs, was placed under general administration coverage.

The provision of scholarships and prizes increased sharply in 1956-57 and 1958-59 because of an increase in law scholarships and athletic scholarships, the latter having been reduced more recently.

Athletic Association salaries appear only in the 1956-57 and 1958-59 figures because of a temporary change in state accounting practice.

The expenditures for testing in 1960-61 and 1961-62 were comprised from federal funds for a two-year program having nothing to do with the College's regular guidance and testing.

"Revenue refunded" in 1960-61 and 1961-62 covered money returned to the federal government from federal grants.

The large reversions item for 1956-57 concerned money from the Endowment Association to construct Phi Beta Kappa Hall, the money having been raised for this purpose. The reversions figures for 1960-61 and 1961-62 were to the state, being virtually unavoidable under state budgetary procedure.

It is difficult to determine whether the Summer Session, the Evening College, and the Extension Division are self-sustaining operations. Although the financial statements show the Evening College and Extension Division to be self-sustaining, this is because only salaries and direct purchases of supplies are included in their cost figures; utilities and maintenance are not. Figures for the Summer Session are somewhat misleading because the fiscal year ends within its span. Moreover, although Summer Session costs include salaries, maintenance, and supply figures, it does not have the benefit of auxiliary enterprise receipts. While Summer Session expenses have consistently exceeded revenues over the selected years, it was never contemplated that an educational operation must be self-sustaining. Generally, it has been considered that the Summer Session budget is satisfactorily in balance if revenue equals 85% of expenditures.

#### Research

Research deserves special consideration. Organized research first appeared on the income statement in 1960-61 and again in 1961-62. The funds each year totalled around \$200,000. Essentially these figures represent federally sponsored research in the physical and life sciences administered through the College. A single research organization, The Institute of Early American History, is the recipient of funds not ad-

ministered by the College. Colonial Williamsburg, Inc., and the College share in this project.

College faculty research supported by state and alumni funds has been minimal. Research funds have been allocated by the committee on faculty research principally for use during the summer as a living subsidy. Around \$10,000 was allocated for 1963-64.

If the reputation of the faculty in the various disciplines, particularly in the humanities and social sciences, is to be realistically enhanced, substantial improvement in college-funded support for research and publication is desirable. Faculty members sometimes can draw upon their own or other private resources in order to finance research. But studies conducted under such conditions may mirror a partially deficient academic atmosphere. Tangible in-house support for research is a spur to building and maintaining a dynamic faculty.

#### Cost per Regular Student

It is clear from Tables I-A and I-B that revenues and costs per year increased in absolute amounts by about two-thirds over the ten years reviewed. However, what has it cost the College to educate a student during these years? What type of student is to be considered? A regular student, an evening college student, a summer school student, an extension student, or some combination of these? Since the College is operated primarily for the regular student, it would seem that the most enlightening cost figures would be those per regular student.

In the years under review the numbers of regular students and the proportion of total tuitions and fees paid by them were:

<u>1952-3</u>	<u>1954-5</u>	<u>1956-7</u>	<u>1958-9</u>	<u>1960-1</u>	<u>1961-2</u>
1667	1783	1739	2087	2410	2519
95%	90%	87%	88%	86%	80%

Using these percentages as weights to adjust cost ratios per student to cost ratios per regular student, the following costs per regular student are derived:

<u>1952-3</u>	<u>1954-5</u>	<u>1956-7</u>	<u>1958-9</u>	<u>1960-1</u>	<u>1961-2</u>
\$1640	\$1185	\$1950	\$1696	\$1625	\$1576
or without weights:					
\$1725	\$1316	\$2239	\$1927	\$1890	\$1970

If capital outlay costs are omitted, the figures are:

<u>1952-3</u>	<u>1954-5</u>	<u>1956-7</u>	<u>1958-9</u>	<u>1960-1</u>	<u>1961-2</u>
\$1170	\$1140	\$1405	\$1370	\$1440	\$1300
or without weights:					
\$1232	\$1263	\$1613	\$1557	\$1678	\$1622

These figures indicate that the cost to the College per student has, contrary to what might be expected, leveled off and remained fairly constant since 1956. It is probable that these costs reflect a comparable leveling off or downgrading of services. Perhaps some of this static student cost is the result of the spreading of fixed overhead. This would likely produce a detrimental effect on services such as those provided by office, classroom, laboratory, library and dormitory facilities.

A pattern of leveled-off or downgraded services is undesirable. Improved services probably mean a rise in the per student cost to the College, although new efficiencies can offset, to a degree, some of the increase. Certain of these efficiencies may lie in administrative reorganization, electronic aids in the procedures of routine planning and operations, teaching methods that increase the student-to-faculty ratio, and the like. But a rise in per student cost is inevitable if faculty salaries are to become commensurate with those in colleges of top quality. Moreover, a continuing backlog of needs will require an increase in capital outlay.

How much of the cost per regular student is borne by the student himself through tuition and other fees, room, and board charges? In 1962-63 these charges were, for state residents, tuition \$352, room \$170, board \$450, or a total of \$972. Out-of-state students paid an additional tuition of \$370 for a total of \$1342. Taking the weighted cost per regular student for 1961-62 of \$1576 as a basis, in-state students paid all but \$604 and out-of-state students all but \$234 of the cost. It may be noted that the difference between the costs borne by in-state and out-of-state students exactly equals the differential in tuitions. In other words, the student's residence would seem to make no significant difference to the College as far as cost per student is concerned.

It may also be noted that although tuition fees and board charged are in line with national averages, room charges are not. As reported by U. S. News and World Report (June 24, 1963, p. 74) in 1962-63 tuitions, room, and board in United States state universities and colleges averaged, respectively, \$293 (\$635 for out-of-state), \$251, and \$435. Our tuition and board charges are only slightly above these averages but our room charges are considerably lower. This fact suggests that any increase in costs borne by the students might more appropriately derive from room charges than from tuition, unless our dormitories are

on the average correspondingly inferior to those in other state institutions throughout the nation.

#### Alternative Analysis of Revenues and Expenditures

Charts 1, 1-A, 1-B, and 1-C appended to this report show the more standard but perhaps less revealing types of analysis concerning revenues and expenditures. There are some discrepancies of a minor nature in the accounting in these charts as compared to the data in Tables I-A and I-B. Chart 1 shows for 1961-2 the dominance of educational and general income and expenditures in total current income and expenditures. Chart 1-A shows for 1961-2 the dominance of state appropriations and student tuition and fees in educational and general income and the balance between these sources. It also shows that most educational and general expenditures go to instruction. Charts 1-B and 1-C respectively show the changes over ten years in the proportions of the various types of current revenues and current expenditures. In current revenues the state appropriations, tuition and fees, and auxiliary enterprises run in descending importance. In current expenditures the descent follows instruction, auxiliary enterprises, and physical plant. None of these data, it should be pointed out, are linked to per-student ratios.

#### Endowments

Because it is a small source of revenue to the College, one might give little attention to an analysis of endowment. However, its composition, use, and control are relatively unknown to many of the faculty and others. Hence some review of the endowment seems in order. The data are taken from the report of the Treasurer of the Endowment Association and the College Fund for the year ending June 30, 1962.

The Endowment Association has some forty-eight different funds, ranging in size from the pooled investment fund of \$1,345,000 (cost value) to the Class of 1944 fund of \$220. Thirty-three of the individual funds are used for scholarships. Five funds are restricted to special purposes. There are two prize funds.

The College Fund consists of some fifteen different funds, the largest of which is the pooled investments fund of \$1,015,000 (cost value) and the smallest the Mrs. Arnold Hicks fund of \$250. Nine of the individual funds are temporarily functioning as endowments. Three are for scholarships. One, the Thomas Jefferson, is for an award.

The endowment funds are invested long-term approximately as follows: 28% in bonds, 69% in stocks, and 3% in real estate. About \$370,000 was invested in U. S. Treasury short-term securities as of June 30, 1962. The policies in investment are outside the scope of this report.

The long-term investments of the Endowment Association grew from a market value of \$621,000 in 1952-3 to \$2,161,000 in 1961-2. Corresponding figures for the College Fund were \$801,000 and \$1,290,000. (The difference in the rates of growth may be accounted for by the growth in

corpus of the Endowment Association with little such growth in the College Fund.) Taken together, the increase has been from \$1,422,000 to \$3,451,000 during this period. As of June 30, 1962, the balance sheet shows the total of endowment funds, including reserves and expendable and unexpendable fund balances, to have been \$4,559,000. (For comparison, the University of Virginia had an endowment of about \$23,000,000 at the same time.) Per regular student the endowment in 1952-53 was \$850 and in 1961-62 it was \$1370.

At the investments' earning rate of 3.8% on market value, the revenue per student in 1961-62 would be \$52. This is a small sum that is diluted further when earnings of \$131,000 are reduced by allocation of \$19,000 to reserves, leaving a net of \$112,000. Spread over 2159 students this amounts to only \$45 per student.

It seems clear that a good deal of the expendable funds of the Endowment Association are not spent for one reason or another. On June 30, 1962, some \$424,000 in some forty-two funds were on hand. (The total of this expendable balance would have been \$7500 higher if a transfer to principal had not been made from the expendable balance of the restricted Chancellor Fund.) The usual reason for failure to expend the expendable monies lies primarily in the qualifications to their uses. Specific funds often have individual declarations of purpose that limit their application to clearly delineated objectives. For example, the Ball Fund is restricted to residents of specific geographical areas while the Goodwin Fund is to be used only for law scholarships.

#### Bookstore and Wigwam

The Bookstore and Wigwam figures represent a small operation when compared with the entire financial structure of the College. Nevertheless, they deserve scrutiny. Table II is a profit and loss statement on the Bookstore and Wigwam for the year ending June 30, 1962. Net profit from the Bookstore and Wigwam goes to the Board of Visitors as unrestricted income.

The net profit of \$39,000 on sales of \$206,000 amounted to around 20%. Although net profit on investment would provide a more transparent view of the profit situation, the investment value is not at hand.

It is interesting to note that the sale of books completely overshadowed, by a 20-1 ratio, the ancillary sale of novelties. Perhaps a close appraisal of the operation would indicate that novelty sales might be curtailed to the corresponding enhancement of book sales.

#### Real Estate and Plant

As of June 30, 1962, the College owned about \$600,000 in real estate from which it gains income. Table III lists the properties in detail. The return on these properties is contained under "all other sources" for 1961-62 in Table I-A, so this return has not been measured. However, it would seem that subsidies to faculty and students are in-

involved in low rates on rentals on certain of the properties, for example the \$49,000-valued College Apartments and the \$240,000 Lodges.

Investment in plant amounted to some \$13,912,000 as of June 30, 1962; of which \$355,000 was in land, \$11,001,000 in buildings, and \$612,000 in other properties. See Table IV.

These figures represent the actual cost of the items and are presently carried on the books as such. It could be argued with some cogency that time and other conditions alter cost valuation. The Sunken Garden is carried on the books at \$125,000. But does its psychic value increase its worth? Likewise the Jamestown Road underpass is listed at a cost figure of \$43,000. Yet would its present actual value reach such a figure?

The committee realizes that the valuation problem raises issues that are difficult. Yet the existence of the complexities inherent in valuation should be recognized.

#### Balance Sheet

Table V shows the balance sheet of the College as of June 30, 1962. The assets are somewhat heavy on the fixed side with \$13,912,000 (of the total of \$22,287,000) in land, buildings, and equipment. The rest of the position is highly liquid. It should be pointed out that the stores fund and working capital fund are revolving funds; that the agency funds are restricted; and that the Endowment Association, a separate corporation over which the College has no control on investment policies, accounts for almost \$2,000,000 of the endowment funds. On the liabilities side the biggest item is \$15,982,000 (out of \$22,287,000) for plant funds, of which \$13,912,000 is the offset of the foregoing land, buildings, and equipment asset figure. The next largest single item is the endowment funds offset of \$4,559,000 to the same amount under assets.

The reserve for depreciation and losses under the endowment funds account is large, almost a million dollars. The purpose of this reserve is to guarantee the continuance of the original corpus of the individual funds. Its auxiliary purpose is to cover depreciation on revenue-producing buildings. Thought should be given to the question whether this reserve is now at least large enough to serve its purposes and whether in the future more income should be utilized for immediate purposes and needs.

#### Fund-raising Campaigns

Outside of securing funds through federal grants, which the College has successfully done in the amount of about three-quarters of a million dollars since 1959, the only major fund-raising attempted in recent years has been the drive for a library building which started in 1960. Alumni and others have contributed over \$125,000 to this campaign and pledges increase the total to \$200,000. From contributions to the



alumni society, the College received in 1962-63 a net amount of approximately \$9000.

In view of the College's serious need for more private funds to undertake and sustain projects which the state does not support, thought should be given to ways and means of raising funds by increased alumni giving and other campaigns.

#### Indebtedness

The present debt of the College is some \$1,431,600 for which amortization has been set up through sinking funds.

### 2. The Financial Process

#### Control of Endowment Funds

Although the College's endowment funds, including both those administered directly by the Board of Visitors and those owned by the Endowment Association, are audited by the State Auditor of Public Accounts, they are subject to less control by the Commonwealth than the operating funds deriving from the state. The Endowment Association was incorporated under the laws of the Commonwealth on February 15, 1939, as a "charitable or benevolent corporation, not organized for profit," with the purpose to "aid, strengthen and expand in every proper and useful way the work, the usefulness and objects of the College ...." It is controlled by a board of from nine to fifteen trustees. The President of the College and several members of the Board of Visitors are included among these trustees, but the Association is in no sense controlled by the College. The trustees of the Endowment Association "have full right, power and authority to purchase, acquire, receive, hold and dispose of any property, real or personal, donations passing by grant, conveyance, devise or bequest either in its own corporate name or in such name or names as the donor, grantor or deviser shall recite." The State Planters Bank and Trust Company acts as investment counsel. Their recommendations for purchase or sale of securities are voted upon by mail by the individual trustees. The State Planters Bank and Trust Company also acts as counsel for those investments which are controlled directly by the Board of Visitors.

#### Budgetary Procedures and Budget Control

Responsibility for the financial administration of the College rests with the Bursar working directly under the President. The central device through which the Bursar administers financial operations is the annual budget. For funds received from the Commonwealth, a budget request for each year of each biennial period for which the General Assembly appropriates monies must be submitted to the Director of the Division of the Budget on or before the date set by him.

This date is during the summer preceding the biennial meeting of the General Assembly in January of even years. The interval gives the

Governor and his Advisory Board on the Budget opportunity to study the budget request of the College in relation to requests from other state agencies and to determine their reasonableness in terms of immediate and long-range needs as they fit into the general educational objectives of the Commonwealth. After review by the Advisory Board, these requests are incorporated in the Governor's Budget as recommendations to the General Assembly for the next biennium. Accompanying the Governor's budget message to the General Assembly is a tentative appropriation bill. Ordinarily most of the recommendations of the Governor are enacted into law.

The Commonwealth of Virginia does not operate on the basis of a "line budget." That is to say, the General Assembly appropriates funds for large general categories in the budget of an agency such as the College rather than fixing specific amounts for each unit within the agency. If the funds finally approved are less than the agency's request, the requests of each of its units are reduced proportionately on a percentage basis.

The College's budget request is in two parts, one for maintenance and operation and the other for capital outlays. State appropriations for maintenance and operation consist of (1) the amount to be paid from the general fund of the Commonwealth and (2) the amount to be paid from special funds, chiefly collections from students for tuition, room rent, and similar items. Only the general fund appropriations are guaranteed and they can be counted on only to the extent that they are actually needed by the College. Special fund appropriations are based upon estimates of enrollment and collections from students. If enrollment should fall, a smaller special fund appropriation is available and expenditures must be cut. If enrollment and collections should rise above the estimate, the additional revenue can be made available only through approval by the Governor, on the advice of the Director of the Division of the Budget, of a supplementary request from the College showing that the additional enrollment has necessitated or will necessitate additional expenditure. That portion of the total appropriation, both of general funds and special revenues, which is unspent at the end of the biennium, reverts to the general fund of the Commonwealth. Supplemental appropriations for such specific purposes as raising faculty salaries are occasionally made by the Governor out of funds authorized by the General Assembly, which were not included in the budget. The College was the beneficiary of such an appropriation during the spring of 1952.

The Bursar, the President, and other officials of the College who assist in preparing the budget requests for the biennium must devote great care to this task. These requests must be prepared from one to three years in advance of the time at which the funds will be spent. Requests for appropriations for the years 1964-65 and 1965-66, for example, must be prepared not later than the early summer of 1963. They are prepared by the Bursar, under the direction of the President, on the basis of requests made by various officials who are responsible for the different divisions of the College budget and particular units within these divisions. Unit requests must be in the hands of the official responsible for a division not later than April 15 and division requests



must be submitted not later than May 15 in order that a preliminary budget request for the College as a whole may be submitted to the Board of Visitors at its May meeting. After consideration by the Board and reconsideration by the President, Bursar, and other officials during the early summer, the final budget request is submitted to the Governor and his Advisory Board on the Budget on or before the date set by the Director of the Division of the Budget.

The various divisions of the budget and the officers responsible for preparing requests are as follows:

Administration	President and Bursar
Instruction	Dean of the Faculty
Lecture and Entertainment	President and Chairman of Faculty Committee on Lectures, Art and Music
Welfare and Supervision of Students	Dean of Students
Extension	Director of Extension
Summer School	Director of Summer Session
Library	Librarian
Quarterly Magazine	President and Director, Institute of Early American History and Culture
Operation and Maintenance of Physical Plant	Bursar
Residential Buildings	Bursar
Dining Hall	Bursar
Infirmary	Bursar
Heating and Power Plant	Bursar
Laundry	Bursar
Debt Service	President and Bursar
Capital Outlay	President and Bursar

This structuring is currently under examination by the State Council of Higher Education.

Most officials are concerned almost entirely with expenses of operation, since requests for capital outlay and debt services are customarily handled by the President and the Bursar. Estimated expenses of operation are classified separately in both unit and divisional budget requests as personal service, contractual service, supplies, materials, equipment, and current charges and obligations.

Since requests for biennial appropriations must be made so far in advance of the period in which they will be spent, they must necessarily be viewed as broad estimates which provide considerable room for adjustment to changing conditions of student enrollment, emergency needs, price levels, and so forth. The annual budgets require much more accurate estimates, since they become the effective basis of expenditures within a few weeks or months after their final approval. The procedure and timetable for the preparation of such budgets can be illustrated by

a description of how the annual budget for instruction, the largest single budget division, is developed.

The biennial projection for the instructional budget is based on the number of full-time equivalents (number of students enrolled for 15 hours per semester) which the College expects to enroll in each of the two years of the projected biennium. This estimate is based on student residential space available which in turn depends on previously approved capital outlays for dormitory space ready for occupancy. As a rule, and in actual practice, the College enrolls more students than projected. To the extent that the actual enrollment is in excess of the projected enrollment the College may upon approval receive from the Commonwealth "excess fund revenues" upon which it can draw to pay for additional expenses of instruction.

Not later than February, the chairman of each academic department confers with the Dean of the Faculty and makes recommendations for the coming academic session as to the size and compensation of the teaching staff required by his department. On the basis of these conferences the Dean of the Faculty, after consultation with the President, prepares the budget request for "instruction - Personal Service." In this budget request, every member of the instructional staff is listed by name and rank and his continuing salary and recommended merit increase, if any, are indicated. In making these recommendations the Dean of the Faculty is guided by the policies of the College with respect to tenure, promotion, and merit increases, rules and regulations of the State Personnel Office (which serves as the advisor to the Governor on such questions), and the general enrollment and financial outlook for the College. Other personal service items charged to instruction include secretaries for the Dean of the Faculty, for the divisions of humanities, natural sciences, social sciences, and teacher education, for the counseling office and the department of physical education for men (half-time); costs of the Marshall-Wythe Symposium; pay for graduate assistants and undergraduate student assistants for all academic departments; costs of the office of the Dean of the Faculty, and of the audio-visual aids center in the library. A lump sum estimate for all student assistants is included in the general instructional budget. This amount is distributed among the various departments in accordance with budget requests submitted by each department head during the first two weeks in each semester, through the director of student aid to the Dean of the Faculty. The latter, in consultation with the department chairmen, makes whatever adjustments are necessary in these requests to bring them within the budgeted amounts.

The Dean of the Faculty requests each department to submit not later than April 15 biennial budget requests for other instructional needs, including laboratory supplies and equipment, service contracts, field trips for students, and so forth. Requests are received also from the director of counseling and the audio-visual aids center. Separate amounts are budgeted by the Dean of the Faculty for all-faculty travel, office supplies, and "Dean of the Faculty."

After careful study of these requests in cooperation with the persons who made them, and after consultation with the President, the Dean of the Faculty adds these requests to those for personal services and submits the entire budget request for instruction to the Bursar on or before May 1. The Bursar then assembles the entire College budget for the coming academic year. The President submits the College budget to the Board of Visitors at its May meeting.

The annual budget requests from divisions and from their constituent units, adjusted to provide for future needs and contingencies, serve as the basis for the budget requests for the biennium to the Governor and his Advisory Board on the Budget.

As indicated above, the annual budget is the central device through which the Bursar administers the financial operations of the College. Only those payments for personal services for which the personnel and pay-roll sections of the Bursar's Office have received definite authorization, as included in the budget and approved by the State Personnel Office, are made. Only duly budgeted expenditures for supplies, equipment, etc., which have been made in accordance with the rules and regulations of the State Division of Purchasing and Printing and purchasing sections of the Bursar's Office can be made. All purchase orders and invoices must be approved by the proper division or unit head. As soon as practicable after the first of every month, the Auditor supplies each division head and each unit head that has a separate budget, with a statement showing by major categories of expenditure the amount budgeted for the year, amount expended to date, amount encumbered, and balance remaining. The officers concerned use these statements as means of keeping their expenditures within their budgets.

Two broad questions of budgeting principle and procedure should be noted briefly. These relate to making adjustments within the overall College budget to meet unexpected conditions. In cases in which needs are greater in one division and less in another than had been expected, the President has the authority to transfer-- by written statement-- funds from one division to another. Similarly, the head of each division may transfer funds from one unit to another by written statement, after consulting with the Bursar and the President; and the head of each unit may, in consulting with his division head, transfer funds from one category or item to another. If expenditures for the College as a whole exceed the budget, and revenues also exceed the estimate, the College may spend these revenues only after specific request to the Director of the Division of the Budget has been approved. If no revenues are available, specific authorization to borrow or to incur a deficit must be obtained from the Board of Visitors and the Director of the Budget. Ordinarily, the College must keep its expenditures within its budget.

#### Accounting Procedures

The accounting procedures of the College conform to those set up by the American Council on Education and follow the outlines given in

College and University Business Administration, Vols. I and II, compiled by the National Council on Preparation of a Manual on College and University Business Administration. This system is approved by the State Council of Higher Education for the state-supported colleges and universities. The books of account of the College are audited in minute detail by the State Auditor of Public Accounts. The law requires that the books be audited at least once at the close of each biennium, and any time periodically between biennial audits. The visitations by the state auditors are usually announced one day in advance. Audits have always been satisfactory.

#### Insurance Program

The Board of Trustees of the Virginia Supplemental Retirement System, under a contract with the Life Insurance Company of Virginia, provides a contributory plan of group life and accidental death and dismemberment insurance to full-time salaried personnel of the College. The plan contemplates that the individual will be a career employee, and therefore is designed to protect him and his family while in service as an employee and also after retirement on an immediate annuity. The annual salary determines the amount of insurance for which an employee is eligible. Thus, for example, an employee with annual salary of between \$8000 and \$9000 would be insured for \$9000.

If one is in service at age 65 the amount of the insurance is reduced by 2 per cent for each month thereafter until a reduction of 75 per cent is reached. The remaining 25 per cent stays in effect unless the employee fails to qualify for an immediate annuity upon retirement. If the employee retires on an annuity prior to age 65, the same reduction applies to his life insurance and the accidental death and dismemberment insurance stops. The Board of Trustees of the Virginia Supplemental Retirement System contributes to the extent that the premium payments of the group fall short of the total premiums. That is, apparently, a variable amount, depending on the number of persons insured in any given year. By act of the General Assembly, the contributory plan described above became compulsory for all new employees beginning with the year 1962.

#### 3. Projections

Projections of costs and revenues to 1970 and 1975 depend on several largely indeterminate factors. Although some estimates of future enrollment have been mentioned, no firm figure has been set and it does not appear likely that the College can or should grow appreciably in the next few years at least. The major program on which the College is already embarked on building a new campus, including a library, laboratories, classroom buildings, dormitories, and other facilities, is desperately needed not for additional expansion but merely to accommodate the growth in student body, faculty, and educational programs which has already occurred. But the rate at which appropriations for capital outlay will make it possible to complete these buildings is not easily predictable. At least until they are completed, we believe, the College can-

not possibly expand to a size of more than about 3000 students unless it is willing to perpetuate the inadequacies of classroom, laboratory, office, and dormitory facilities which have characterized the past decade. The task of the College now is to catch up, and it appears to us that this task in itself will stretch the available financial resources, both for capital outlay and for current operations, to their utmost.

If size alone were to be the principal consideration in the future growth of the College, it seems to us inevitable that William and Mary would become in the next decade a moderately large multi-purpose college or semi-university without distinction but paralleled by hundreds of similar institutions throughout the nation. Without question the students are in supply, there is land on which to build buildings, and a faculty of sorts can be mustered. If the College were now in a state of flourishing health, there might be merit in the argument that as a public institution it must endeavor to absorb its share of the growing demand for higher education. We submit, however, that the College has already done so, without adequate resources, to an extent which has imperilled its educational quality. Further growth in size must wait upon the College's recuperation from its present undernourishment and growing pains.

If enrollment were to increase to, say, 3500 students in 1970 and 4300 in 1975, we estimate that total revenues and expenditures by the latter year would be more than double what they were in 1961-62. The unweighted average total cost per regular student in 1961-62 was \$1970 or, omitting capital outlay, \$1622. Although annual appropriations for capital outlay vary from year to year and are not predictable, we consider that a figure including them is a more realistic basis for a projected estimate. We assume that total costs per student, although they have remained fairly stable over the past few years, will rise to approximately \$2000 by 1970 and to \$2400 by 1975. They will increase even more if, as seems likely, the proportion of graduate students in the total enrollment should rise. Using these estimates of costs per student and the arbitrarily selected figures for future enrollment, total costs by 1970 would be seven million and by 1975 over ten million dollars. Total costs in 1961-62 were just less than five million.

What will be the sources of these funds? Currently about 41% of the College's revenue comes from state appropriations and the rest mainly from tuition and fees. We see no reason to believe that the percentage pattern of revenue resources will change appreciably unless from (1) federal support or (2) increased endowment. If state appropriations were to rise to 45%, they would amount to \$3,150,000 by 1970 and to \$4,644,000 by 1975.

#### Recommendations

Other sections of this report will specify the urgent needs of the College in the areas of physical plant, services to students, support of faculty, operation of the library, and conduct of the educational program generally. The greatly increased funds required to meet these

needs must be sought from all possible sources.

Requests for increased state appropriations might be strengthened if more precise analyses were available of the costs per student in special programs, in particular costs per graduate student. We recommend that the auditor's office undertake such studies.

We recommend that tuition be increased to as much as \$450 for in-state and \$900 for out-state students and that room rents be raised to the national average for state-supported institutions to the extent this is justified by the quality of accommodations.

There is urgent need for greatly increased private funds to supplement faculty salaries, to provide more and larger scholarships for outstanding students, to support faculty research, and to finance sabbatical leaves. Therefore we recommend the creation of a much more effective and persistent fund-raising program through the combined efforts of the Endowment Association, the Board of Visitors, and the Society of the Alumni.

We recommend that the Endowment Association consider the advisability of decreasing the proportion of the reserve to total endowment funds in order to release for current needs all available expendable income.

We suggest that it would be helpful if both the Board of Visitors and the trustees of the Endowment Association would make public to the College community annual statements of the private funds of the College.

TABLE I-A  
Comparison of Income Statements  
Revenue  
1952-1953

Special Sources			
Student Fees:			
Regular Session	\$ 568,031.44		
Evening College			
Summer Session	<u>30,931.68</u>		
Extension			
Total		\$ 598,963.12	---
Auxiliary Enterprises:			
Residence Halls	188,344.77		
Net Income from Operation of:			
Fixed Properties	63,230.53		
Laundry	1,522.67		
Wigwam	7,795.21		
Dining Hall	<u>372,708.94</u>		
Total		633,602.12	
Endowment Income:			
Interest & Dividends	\$ 75,714.68		
Rental Property	<u>32,658.72</u>		
Total		108,373.40	---
Sale of Real Estate		<u>74,860.80</u>	
All Other Sources		<u>\$1,415,799.44</u>	
Total Special Sources			
Transfers			
Agency Funds		32,436.17	
General Fund	(STATE)	(1,424,200.00)	---
Appropriation-Maintenance & Operation		690,755.00	
Appropriation-Deficit Reduction			
Total		<u>\$2,138,990.61</u>	
Sub-Total - Maintenance & Operation			
Other Appropriations:			
For Inventories (Stores)	\$ 48,556.45		
For Capital Outlay	684,900.00		
Major Repairs			
For Contribution Williamsburg Community Hospital			
Total		<u>733,456.45</u>	
Other: For Capital Outlay			
Sale of Bonds			
Insurance Recoveries			
Contributions			
Temporary Note for Capital Outlay			
Earned Interest			
Total			
Other Revenue			
Repayment of Loan			
Total Revenues		<u>\$2,872,447.06</u>	

TABLE I-A - Cont'd  
Comparison of Income Statements  
Revenue  
1954-1955

			Percent of Revenue
Special Sources			
Student Fees:			
Regular Session	\$ 597,112.77		
Evening College	19,922.50		
Summer Session	32,928.11		
Extension	<u>15,156.38</u>		
Total		\$ 665,119.76	---
Auxiliary Enterprises:			
Residence Halls	\$ 308,029.70		
Net Income from Operation of:			
Fixed Properties			
Laundry	11,693.52		
Wigwam	12,983.76		
Dining Hall	<u>353,599.21</u>		
Total		\$ 686,306.19	
Endowment Income:			
Interest & Dividends	\$ 91,583.02		
Rental Property	<u>22,693.63</u>		
Total		\$ 114,276.65	---
Sale of Real Estate		<u>86,605.25</u>	
All Other Sources		<u>\$1,552,307.85</u>	
Total Special Sources			
Transfers			
Agency Funds		41,888.71	
General Fund	(STATE)	(1,225,300.00)	---
Appropriation-Maintenance & Operation	\$ 789,653.00		
Appropriation-Deficit Reduction	<u>53,720.00</u>		
Total		<u>843,373.00</u>	
Sub-Total - Maintenance & Operation		<u>\$2,437,569.56</u>	
Other Appropriations:			
For Inventories (Stores)			
For Capital Outlay	\$ 300,000.00		
For Major Repairs	31,500.00		
For Contribution Williamsburg Community Hospital			
Total		<u>331,500.00</u>	
Other: For Capital Outlay			
Sale of Bonds	50,100.00		
Insurance Recoveries	358.93		
Contributions			
Temporary Note for Capital Outlay			
Earned Interest			
Total		<u>50,458.93</u>	
Other Revenue			
Repayment of Loan		5,200.00	
Total Revenues		<u>\$2,824,728.49</u>	100

TABLE I-A - Cont'd  
Comparison of Income Statements  
Revenue

1956-1957

Special Sources

Student Fees:

Regular Session \$ 668,397.37  
Evening College 24,795.00  
Summer Session 44,404.17  
Extension 29,631.98

Total

\$ 767,228.52 ---

Auxiliary Enterprises:

Residence Halls 299,460.00  
Net Income from Operation of:  
Fixed Properties  
Laundry 5,015.58  
Wigwam 18,049.67  
Dining Hall 364,188.84

Total

\$ 686,714.09

Endowment Income:

Interest & Dividends \$ 114,472.06  
Rental Property 31,845.85

Total

\$ 146,317.91 ---

Sale of Real Estate

All Other Sources

90,172.93

Total Special Sources

\$1,690,433.45

Transfers

Agency Funds 78,494.72

General Fund

(STATE)

(3,488,900.00) ---

Appropriation-Maintenance & Operation 966,435.00  
Appropriation-Deficit Reduction  
Total

Sub-Total - Maintenance & Operation

\$2,735,363.17

Other Appropriations:

For Inventories (Stores)  
For Capital Outlay 1,786,020.00  
For Major Repairs  
For Contribution Williamsburg  
Community Hospital

Total

Other: For Capital Outlay

Sale of Bonds 452,000.00  
Insurance Recoveries  
Contributions 284,493.56

Temporary Note for Capital Outlay

Earned Interest

Total

736,493.56

Other Revenue

Repayment of Loan

Total Revenues

\$5,257,876.73

Fund Balance Brought Forward

802,231.73

\$6,060,108.46

TABLE I-A - Cont'd  
Comparison of Income Statements  
Revenue

1958-1959

Percent  
of  
Revenue

Special Sources

Student Fees:

Regular Session \$ 869,779.51  
Evening College 25,193.50  
Summer Session 61,163.50  
Extension 31,526.50

Total

\$ 987,663.01 --- 21

Auxiliary Enterprises:

Residence Halls 359,065.80  
Net Income from Operation of:  
Fixed Properties  
Laundry 18,168.34  
Wigwam 24,573.21  
Dining Hall 459,797.17

Total

\$ 861,604.52

Endowment Income:

Interest & Dividends \$ 117,586.89  
Rental Property 20,682.78

Total

138,269.67 --- 3

Sale of Real Estate

All Other Sources

131,679.52

Total Special Sources

\$2,119,216.72

Transfers

Agency Funds 86,925.39

General Fund

(STATE)

(2,581,900.00) --- 54

Appropriation-Maintenance & Operation 1,163,960.00  
Appropriation-Deficit Reduction  
Total

Sub-Total - Maintenance & Operation

\$3,370,102.11

Other Appropriations:

For Inventories (Stores)  
For Capital Outlay \$1,342,900.00  
For Major Repairs 50,000.00  
For Contribution Williamsburg  
Community Hospital

Total

\$1,392,900.00

Other: For Capital Outlay

Sale of Bonds  
Insurance Recoveries  
Contributions

Temporary Note for Capital Outlay

Earned Interest

Total

25,000.00

Other Revenue

Repayment of Loan

Total Revenues

\$4,788,002.11 --- 100

Fund Balance Brought Forward

1,810,805.56



TABLE I-A - Cont'd  
Comparison of Income Statements  
Revenue

	1960-1961	Percent of Revenue
Special Sources		
Student Fees:		
Regular Session	\$ 996,098.19	
Evening College	27,434.50	
Summer Session	68,234.48	
Extension	<u>75,756.26</u>	
Total		
Auxiliary Enterprises:		
Residence Halls	418,779.85	
Net Income from Operation of:		
Fixed Properties		
Laundry	25,136.90	
Wigwam	34,575.58	
Dining Hall	<u>602,311.64</u>	
Total		
Endowment Income:		
Interest & Dividends	123,127.77	
Rental Property	<u>30,598.78</u>	
Total		
Sale of Real Estate	153,726.55	
All Other Sources	142,889.84	
Total Special Sources	<u>478,575.60</u>	
Total	\$1,167,523.43	
Transfers		
Agency Funds	78,393.56	
General Fund		
Appropriation-Maintenance & Operation	(STATE) (3,053,300.00)	
Appropriation-Deficit Reduction	1,427,814.00	
Total		
Sub-Total - Maintenance & Operation	<u>\$4,529,726.95</u>	
Other Appropriations:		
For Inventories (Stores)		
For Capital Outlay	1,623,000.00	
For Major Repairs		
For Contribution Williamsburg Community Hospital		
Total		
Other: For Capital Outlay		
Sale of Bonds		
Insurance Recoveries		
Contributions		
Temporary Note for Capital Outlay		
Earned Interest	2,477.44	
Total		
Other Revenue		
Repayment of Loan		
Total Revenues	\$6,155,204.39	
Fund Balance Brought Forward	2,198,458.96	
	<u>\$8,353,663.35</u>	

TABLE I-A - Cont'd  
Comparison of Income Statements  
Revenue

	1961-1962	Percent of Revenue
Special Sources		
Student Fees:		
Regular Session	\$ 993,612.32	
Evening College	34,175.08	
Summer Session	89,607.82	
Extension	<u>120,279.27</u>	
Total		
Auxiliary Enterprises:		
Residence Halls	437,315.27	
Net Income from Operation of:		
Fixed Properties		
Laundry	21,674.18	
Wigwam	39,117.08	
Dining Hall	<u>572,908.39</u>	
Total		
Endowment Income:		
Interest & Dividends	\$ 125,905.87	
Rental Property	<u>25,220.26</u>	
Total		
Sale of Real Estate		
All Other Sources	479,817.34	
Total Special Sources	<u>\$2,939,632.88</u>	
Transfers		
Agency Funds	60,409.12	
General Fund		
Appropriation-Maintenance & Operation	(STATE) (1,570,540.00)	
Appropriation-Deficit Reduction	1,281,796.64	
Total		
Sub-Total - Maintenance & Operation	<u>\$4,281,838.64</u>	
Other Appropriations:		
For Inventories (Stores)		
For Capital Outlay		
For Major Repairs		
For Contribution Williamsburg Community Hospital		
Total		
Other: For Capital Outlay		
Sale of Bonds		
Insurance Recoveries		
Contributions		
Temporary Note for Capital Outlay	285,000.00	
Earned Interest	3,742.81	
Total		
Total	288,742.81	
Other Revenue		
Repayment of Loan		
Total Revenues	\$4,570,581.45	
Fund Balance Brought Forward	3,800,543.48	
	<u>\$8,371,124.93</u>	