

OPEN SESSION PRE-READ / FINANCIAL AFFAIRS COMMITTEE

Board of Visitors

Resolution 26

April 24-26, 2019

Page 1 of 3

WILLIAM & MARY FY 2019-20 OPERATING BUDGET PROPOSAL

This summary provides an overview of William & Mary's proposed operating budget for fiscal year 2019-2020 (FY20) and identifies specific budget actions. Detailed budgets by program are contained in the pre-read materials provided to the Board of Visitors on April 16, 2019. The budget for the Virginia Institute of Marine Sciences is presented separately under Resolution 30.

The FY20 operating budget was developed in the context of the university's strategic planning process and the Six-Year Plan as approved by the Board of Visitors. To the extent resources are available, expenditures in support of the university's mission reflect the priorities outlined in these plans.

Sources of Revenue for FY20

The FY20 operating budget, as presented, combines the university's state appropriated funds as well as donor funds and other revenues maintained locally at the university. Projected revenues fall into five main categories as follows:

1. **State general fund (GF) appropriations** (\$53.8 million) primarily support the university's academic mission, commonly referred to as the Educational and General (E&G) program, and need-based, in-state undergraduate financial aid. The FY20 projected state GF support includes technical adjustments related to the state's share of salary actions, anticipated changes in fringe benefits, and targeted allocation to increase the number of high-demand degrees as well as funds to establish a data science major, and a veterans' counseling program. Incremental state funds are also provided to moderate FY20 tuition increases for in-state undergraduate students.
2. **Tuition and E&G fee revenue** (\$211.6 million) reflects anticipated funds based on proposed FY20 tuition and fee rates included in Resolutions 27 and 28. These funds are used to support the university's academic programs as well as need-based undergraduate financial aid.
3. Unrestricted and restricted gifts as well as endowment earnings received by the university are categorized as **Private Funds** (\$17.9 million). They do not include funds budgeted as part of the William & Mary Foundation or other university-affiliated foundations.
4. Funds from **Grants & Contracts** for Sponsored Programs (\$31.4 million), which includes both direct funding for research as well as indirect cost recoveries used to support research facilities and administrative infrastructure.
5. Student and user fees support **Auxiliary Enterprises** (\$113.8 million), which provide non-academic goods or services to students, faculty and staff, including housing, dining, student health, and athletics.

OPEN SESSION PRE-READ / FINANCIAL AFFAIRS COMMITTEE

Board of Visitors

Resolution 26

April 24-26, 2019

Page 2 of 3

Proposed Spending Priorities for FY20

In total, the university's FY20 proposed operating budget includes \$428.4 million in projected revenues, including \$3.1 million from the fund balance of university private funds, and \$428.0 million in expenditures.

Priority expenditures include:

- Maintaining the *William & Mary Promise* to provide need-based financial aid to low- and middle-income Virginia students;
- Investing in increased degree production of high demand fields, including computer science and data analytics;
- Creating a new program in mental health counseling for veterans and their families;
- Providing funding to raise the minimum wage rate from \$10.61 per hour to \$12.00 hour – a 13% increase in the minimum wage rate at William & Mary;
- Funding to provide a 3% salary increase for all faculty and operational staff and a pool of funds to support one-time bonuses for outstanding performance; and
- Funding to provide a state mandated salary increase of 2.75% for classified employees plus an additional 2.25% pool for merit-based salary increases.

The following table provides a summary across all revenue sources and a breakdown of expenditures by program. It is important to note that the proposed FY20 operating budget does not include the Virginia Institute of Marine Science (VIMS) or funds maintained and controlled by university-affiliated foundations. Resolution 30 provides the FY20 Proposed Operating Budget for VIMS.

OPEN SESSION PRE-READ / FINANCIAL AFFAIRS COMMITTEE

Board of Visitors

Resolution 26

April 24-26, 2019

Page 3 of 3

Revenue ¹	FY19 Estimated Actuals	FY20 Proposed Budget	Change from Prior Year	
			\$ Change	% Change
State General Fund	48,888,800	53,811,500	4,922,700	10.1%
Tuition and E&G Fees	203,430,900	211,596,100	8,165,200	4.0%
Grants & Contracts	32,050,000	31,350,000	(700,000)	-2.2%
University Private Funds ²	18,623,500	17,859,400	(764,100)	-4.1%
Auxiliary Revenue ³	112,677,300	113,804,000	1,126,700	1.0%
Total Revenue	\$415,670,500	\$428,421,000	\$12,750,500	3.1%

Expenditures, by Program ¹	FY19 Estimated Actuals	FY20 Proposed Budget	Change from Prior Year	
			\$ Change	% Change
Instruction	119,555,500	126,182,500	6,627,000	5.5%
Research	2,227,800	2,217,800	(10,000)	-0.4%
Public Service	46,500	46,600	100	0.2%
Academic Support	32,907,700	33,914,300	1,006,600	3.1%
Student Services	10,266,000	10,521,400	255,400	2.5%
Institutional Support	33,985,000	35,073,900	1,088,900	3.2%
Plant Operations	20,766,700	22,497,100	1,730,400	8.3%
Financial Aid	50,078,700	53,630,200	3,551,500	7.1%
Sponsored Programs	32,217,600	31,425,000	(792,600)	-2.5%
Auxiliary Services	110,075,200	112,504,400	2,429,200	2.2%
Total Expenditures	\$412,126,700	\$428,013,200	\$15,886,500	3.9%

¹ Total revenues and expenditures exclude the Virginia Institute of Marine Science and funds maintained in university-affiliated foundations.

² University Private Funds includes current year revenue of \$18.6 million in FY19. In FY20, University Private Funds include projected current year revenue of \$14.7 million plus \$3.1 million from the beginning fund balance.

³ Auxiliary Revenues include \$900,000 generated in support of student financial aid.

Details for each of the major program areas were provided in the pre-read materials provided to the Board of Visitors on April 16, 2019.

THEREFORE, BE IT RESOLVED, That the Board of Visitors of The College of William & Mary in Virginia approves the FY 2019-20 Operating Budget of the university as displayed herein.