

May 12, 2020

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WILLIAM & MARY
FY 2020-21 OPERATING BUDGET DETAIL
FOR EDUCATIONAL AND GENERAL PROGRAMS

The Educational and General (E&G) Program constitutes those activities that support the delivery of academic services to William & Mary's students and the Commonwealth. The E&G Program is the largest program at the university, representing 52.7% of its annual expenditures, and is comprised of seven subprograms, based on national higher education reporting standards.

These subprograms directly support the university's mission of teaching, research, and public service, with major activities of each outlined below:

Subprogram**Major Activity**

<i>Instruction</i>	<i>Instructional faculty; departmental operating costs</i>
<i>Research</i>	<i>Targeted, state supported research</i>
<i>Public Service</i>	<i>Community outreach activity</i>
<i>Academic Support</i>	<i>Library materials and services, academic technology; academic administration at a school or center level</i>
<i>Student Services</i>	<i>Registrar, admissions, financial aid; career services; etc.</i>
<i>Institutional Support</i>	<i>Executive management; fiscal services; human resources; police; purchasing; fund raising, administrative technology etc.</i>
<i>Physical Plant</i>	<i>Buildings/grounds maintenance; plant personnel, utilities</i>

Revenue Assumptions for FY 2021

The proposed E&G budget assumes no tuition increase for FY21. Even without an increase for the incoming undergraduate class, graduate and professional programs, the budget includes an increase of \$2 million in available tuition revenue associated with the step increases inherent to the W&M Promise, since tuition for the graduating class was at a lower level than of the incoming class.

The proposed budget also assumes limited increases from the state general fund. Two increases are included: 1) a technical adjustment to reflect a transfer of funds appropriated in the state's central accounts for prior year salary and fringe actions to the university; and 2) an increase of \$600,000 consistent with the terms of the memorandum of understanding between the Commonwealth and the university under the Tech Talent Investment Program. The budget also currently assumes no changes in enrollment from FY20.

Overall, state general fund support will account for an estimated 23.2% of the university's E&G budget (excluding VIMS), with the remaining 76.8% of the total \$220.9 million budget coming from tuition and E&G fee revenue.

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Page 2 of 3**Spending Priorities for FY 2021**

The proposed E&G budget includes limited new spending for FY21. Spending increases are proposed in only two priority areas:

- 1) ***Undergraduate Financial Aid.*** The FY21 budget transfers \$4.3 million in new E&G revenue to support financial aid as follows:
 - \$3.1 million to increase need-based undergraduate financial aid to meet commitments to low- and middle-income students;
 - \$800,000 to increase aid for Pell-eligible, in-state undergraduates; and
 - \$500,000 to boost financial aid for out-of-state undergraduate students
- 2) ***Unavoidable Costs.*** The only other new items funded in this budget are \$955,000 in unavoidable costs related to operating the expansion of the Alumni House as it comes online, funding to support mandatory workers' compensation payments to the Commonwealth, and mandatory increases to state fringe benefit rates.

These items are supported through a combination of the \$2 million in incremental tuition revenue as well as a proposed reallocation of approximately \$4.9 million from current operations and programs, resulting in a \$2.4 million contingency to offset any loss in enrollment and/or increases in need-based financial aid.

In total, the budget reflects a 2.9% increase in general fund support due to the combination of incremental funding to support the state's share of prior year compensation actions, current year fringe rate changes, and full funding of the Tech Talent Pipeline initiative which was partially funded in FY20 as the first year of the program.

The budget includes a decline of nongeneral fund revenue due primarily to reallocation of existing resources to support needed increases to the tuition supported financial aid budget.

WILLIAM & MARY PROPOSED FY21 E&G BUDGET

	FY20 Estimated Actuals	FY21 Proposed Budget	\$ Change from Prior Year	% Change from Prior Year
REVENUE, by Source				
General Fund	49,825,800	51,274,900	1,449,100	2.9%
Nongeneral Fund	172,032,500	169,632,500	(2,400,000)	-1.4%
Total Revenue	\$221,858,300	\$220,907,400	(\$950,900)	-0.4%
EXPENDITURES, by Program				
Instruction	127,745,200	125,252,300	(2,492,900)	-2.0%
Research	1,734,500	1,710,700	(23,800)	-1.4%
Public Service	8,000	7,900	(100)	-1.3%
Academic Support	34,622,900	34,144,300	(478,600)	-1.4%
Student Services	10,189,000	10,051,200	(137,800)	-1.4%
Institutional Support	28,574,600	28,330,300	(244,300)	-0.9%
Plant Operations	18,975,400	18,988,400	13,000	0.1%
Contingency	-	2,422,300	2,422,300	
Total Expenditures	\$221,849,600	220,907,400	(942,200)	-0.4%

In total, these actions result in a FY21 E&G operating budget of \$220.9 million, a decrease of \$942,000 or about a half a percent. In looking at the proposed expenditures by functional area, the FY21 budget allocates a combined \$159.4 million or 72.2% of its available E&G resources to instruction and academic support -- the heart of its activities. A complete breakdown by subprogram is provided in the chart below.

