



Administration, Buildings and Grounds

Board of Visitors
September 22, 2022

**I.
DHRM
Workforce
Planning
Report
(Action)**

**II.
Employee
Retirement
Plan Updates
(Action)**

**III.
W&M Capital
Plan
2022-23 Update
(Action)**

Evolve to Excel

- Attract and retain outstanding employees and students to further our mission
 - I. Workforce Planning
 - II. Retirement Plans
- Modernize our campus – dining, dorms, classrooms and other learning spaces – so that students, faculty and staff thrive
 - III. Capital Plan





I. DHRM Workforce Planning Report

Annual state reporting requirement

- Code of Virginia § 2.2-1209 directs higher education institutions to present plans to the BOV and submit to the Va. Dept. of Human Resource Management (DHRM)
- As directed by DHRM, the plan has focuses on:
 1. mission critical positions,
 2. employees nearing retirement, and
 3. executive positions
- Requires approval by the BOV and signatures of the President and CHRO

Key take-aways

- W&M (including VIMS) has about 2,400 filled positions
 - Vacant positions (614) includes positions that will not be filled but need to be closed
- Average time to fill – at 85 days – is high
 - HR working to remove positions that are not under recruitment
- Just over 10% of employees are currently eligible to retire
 - 4 executive level positions are eligible to retire
- No areas of high risk
 - Medium risk across all four key areas: continuity of operations, recruitment, retention & engagement, and workforce development



II. Employee Retirement Plan Updates

Employee Retirement Plan Updates

Five actions for BOV consideration:

1. Updates to Optional Retirement Plan (ORP)
2. Updates to 403(b) plan
3. Updates to Cash Match Plan
4. Updates to 457(f) plan
5. New 415(m) plan

Updates to ORP

- What is W&M's Optional Retirement Plan?
 - Defined contribution plan with 8.5% employer contribution and 5% employee contribution
- Who is eligible for W&M's ORP?
 - Faculty and professionals
- What are the proposed changes?
 - Conform to changes under the SECURE Act and CARES Act



Updates to 403(b) Plan

- What is a 403(b) Plan?
 - Supplemental retirement through which employees can opt to contribute tax-free dollars to supplement their retirement savings
- Who is eligible for W&M's 403(b) Plan?
 - All W&M and VIMS employees
- What are the proposed changes?
 - Allow for after-tax contributions to the plan
 - In-plan Roth conversions
 - Conform to changes under the SECURE Act and CARES Act
 - Permit supplemental employer contributions in conjunction with creation of 415(m) plan



Updates to Cash Match Plan

- What is the Cash Match Plan?
 - Consistent with the state's plan, W&M provides \$20/ pay period to eligible employees
- Who is eligible for a cash match?
 - All W&M and VIMS employees who participate in either the 403(b) Plan or the institution's 457(b) Deferred Compensation Plan
- What are the proposed changes?
 - Conform to changes under the SECURE Act and CARES Act



Updates to 457 (f) Plan

- What is a 457(f) plan?
 - A deferred compensation plan that allows employer contributions on behalf of designated employees so long as the contributions remain at risk
- What are the proposed changes?
 - Expand the scope of eligible employees as a retention tool

New Deferred Comp Option



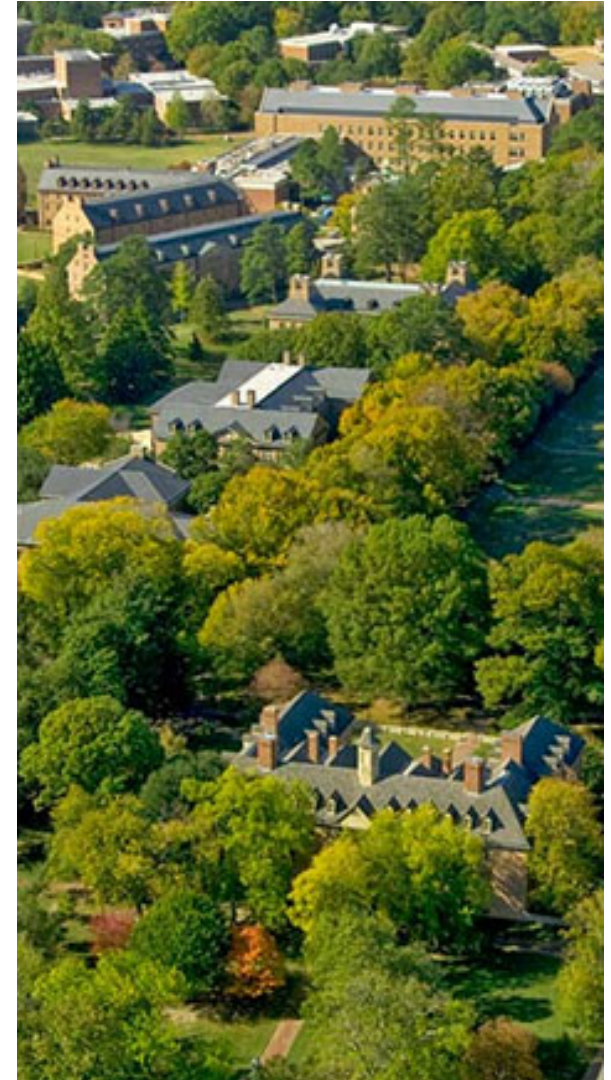
- What is a 415(m) Plan?
 - A nonqualified deferred compensation plan that allows employers to provide supplemental retirement contributions on behalf of its employees
- Who is eligible to participate?
 - Board action authorizes the president to designate eligible employees
 - Intended to be used for recruitment and retention



III. Capital Plan Update

Revamping the approval process

- Under Restructuring, MOU with the Commonwealth requires BOV to approve all construction and renovation projects >\$3M+ or >5,000 sq. ft.
- Until 2014, Va. Department of Planning and Budget (DPB) required a six-year capital plan submitted each biennium
 - Focused on projects requiring state funding or state debt authorization
- Shifting to comprehensive plan to:
 - Identify all projects, including those privately funded
 - Reflect new internal capital planning process
- Submission to BOV each April
 - Today's request "off-cycle" due to time sensitivity of Housing & Dining Plan



Proposed Fall 2022 update focuses on 2 key areas

1. Academic (E&G) Buildings

- Short-Range¹: renovation of Historic Campus², Swem Library ground floor, Ewell Hall², Digital Research Lab, and Law School 2nd Story Addition
(0-3 years)
- Mid-Range¹: renovation of Andrews² and Adair² Halls
(3-5 years)
- Long-Range¹: demolition and replacement of Jones² and Boswell² Halls, renovation of Washington² and McGlothlin-Street² Halls; construction of Ecology and Endocrinology Lab²; Alumni House 3rd floor build out
(5+ years)

¹ Time ranges are intended to signal the anticipated start date of each project, contingent on the availability of funding.

² Projects for which state general fund support will be requested.

2. Housing & Dining

- **Short-Range:**
(0-3 years) demolition of Yates; renovation of Monroe and Old Dominion Halls; routine dorm renovations
- **Mid-Range:**
(3-5 years) demolition of GGV, Hunt, Reves, Willis, Campus Center, Admissions; renovation of OTP; routine dorm renovations; construct Campus Center mixed-used development
- **Long-Range:**
(5+ years) demolition of Randolph Complex and Commons Dining; routine dorm renovations

Note: Time ranges are intended to signal the anticipated start date of each project, contingent on the availability of funding. Housing and dining projects are not eligible for state support. Planned mixed use of Campus Center could make portions of that project eligible for state funding.

Fall 2022 Update provides an important first step

- Additional work remains to align potential sources of funding and timeline on academic buildings
 - Pace at which state funding will be available for E&G buildings is likely to slow
 - High level of deferred maintenance in E&G buildings
 - Comprehensive funding plan still to be developed
- Immediate capital requests are limited:
 - \$20.3M in supplemental funding to construct ISC4 and \$6.7M in FF&E
 - \$14.2M to address deferred maintenance on the Historic Campus



Historic Campus: maintenance issues threaten structures

Background: November 2021 - Formal agreement with Colonial Williamsburg Foundation (CWF) to routinely assess historic campus and collaborate on a maintenance plan that *preserves the assets for future generations*

Request: \$14.2M in state funding to address maintenance needs identified by CWF

CWF Findings:

- Wren roof has not been replaced since the 1930s; significant water infiltration issues
- President's House not designed to support modern living; moisture control issues negatively impacting the integrity of the structure and internal collections
- *Long-term use as a residence threatens the viability of the building*

Timing: Time sensitive in advance of 2026 anniversary



Items for Action

Resolution 15: Approve State Workforce Plan

NOW THEREFORE, BE IT RESOLVED, that the Board of Visitors approves the submission of the university's 2022 workforce planning and development report to DHRM with a copy to the Secretary of Education.

Resolution 16: Approve Retirement Plan Updates

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the adoption of the amendments to the 403(b) Plan, the ORP, the Cash Match Plan, and the 457(f) Plan as described above; and

BE IT FURTHER RESOLVED, that the Board ratifies and approves the supplemental employer contributions made to the 403(b) Plan on behalf of the University; and

BE IT ALSO RESOLVED, that the Board approves the adoption of The College of William and Mary and the Virginia Institute of Marine Science 415(m) Excess Benefit Arrangement, as effective October 1, 2022; and

BE IT ALSO RESOLVED, that the Chief Operating Officer of the University, or his or her designee, is hereby authorized and directed to take such further action, as may be deemed necessary, appropriate or convenient, to fully implement and effectuate the intent of the foregoing resolutions, including the adoption of the amendments; and

BE IT FINALLY RESOLVED, that the Chief Operating Officer of the University is hereby authorized and directed to make such additional amendments necessary to maintain the qualified status of the 403(b) Plan, the ORP, and the Cash Match Plan under the applicable sections of the Internal Revenue Code, and such other additional amendments as the Chief Operating Officer deems necessary or desirable to the 403(b) Plan, the ORP, the Cash Match Plan, the 457(f) Plan, and the Excess Benefit Arrangement, except as to any matter that (i) counsel for the University and the appropriate officer deems to constitute a substantive and material change in the 403(b) Plan, the ORP, the Cash Match Plan, the 457(f) Plan, or the Excess Benefit Arrangement, and (ii) will have a substantial and material impact on the cost of funding or administering the such plans.

Resolution 17: Approve Capital Plan Update

THEREFORE, BE IT RESOLVED, that the Board of Visitors approves the 2022-2023 Major Capital Plan as recommended; and

BE IT FURTHER RESOLVED, that the Board of Visitors authorizes the Chief Operating Officer to take the actions necessary to submit requests to the state for projects requiring general-fund related sources and non-general fund debt authorization in accordance with future instructions and guidelines from the state.