

# COLLEGE OF WILLIAM & MARY



**Committee on Financial Affairs**

**Board of Visitors**

**February 4, 2011**

*COLLEGE OF WILLIAM AND MARY*

**OVERVIEW OF GOVERNOR McDONNELL'S  
2010-12 BUDGET AMENDMENTS**

**Salary and Benefits: VRS Employees**

- 3% base salary increase on July 1, 2011
- 2% salary bonus on December 1, 2011 (subject to revenues)
- 5% employee contribution to VRS effective July 1, 2011

**Salary and Benefits: ORP Employees**

- No base salary increase
- 2% salary bonus on December 1, 2011 (subject to revenues)
- 1.9% reduction in state contribution to ORP; no change in employee contribution

**Comments** on proposed Salary and Benefit changes:

- Intent is that changes require no new state funding; redistributes current funding from net pay to base salary increase and bonus
- Intent is to strengthen VRS while providing a larger base salary for VRS employees
- Timing is an issue since 5% VRS payments/ORP change start in July but bonus only comes in December (and is a contingent appropriation)
- What happens in future years since bonus is a one-time action
- As proposed the plan provides a base salary increase for some employees (VRS participants) but not others (ORP participants)

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**State Funding/Tuition Authority**

- No additional reductions in state support
- Governor did not allocate the \$10 million higher ed. reduction approved by the 2010 General Assembly but not distributed.
- Restricts VCU's ability to spend tuition dollars in FY 2012
  - Reaction to 24% tuition increase for FY 2011
  - Implications for the rest of higher education?

**Innovation and Performance Pool**

- \$50 million consisting of:
  - \$33 million to enhance student enrollment, retention, and graduation; focus on STEM and health care majors; maybe base adequacy/operations
  - \$13 million for undergraduate student aid
  - \$3 million for on-line courses
  - \$1 million for use of technology
- **All funding requires approval of institutional proposals in the above areas**

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**Technology/Research Fund**

- \$25 million
- Research and commercialization of technology
- Additional \$3 million to VCCS for non-credit workforce development

**Operation/Maintenance of New Facilities**

- No funding provided

**Selected Institution Specific Allocations**

- ODU (base adequacy)
- Mary Washington (Dahlgren Education and Research Center)
- Massey Cancer Center
- EVMS
- TAG Program (private institutions)

**Capital Outlay**

- No action on Tucker Hall renovation or ISC 3 construction
- Increased construction scope of Utility project Phase III
- FY 2011 maintenance reserve released; trust fund allocations not yet released
- Distributed FY 2012 maintenance reserve
- \$3.3 million GF to VCU for property acquisition
- Funded equipment for new facilities coming on-line (various institutions)

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**SUMMARY OF OPERATING AND CAPITAL BUDGET AMENDMENTS  
SUBMITTED TO 2011 GENERAL ASSEMBLY**

**Operating Amendment:**

- Graduate Education and Research \$1,025,000 GF

This amendment requests \$1,025,000 in base funding for graduate education and research faculty support at the College of William and Mary.

**Capital Amendment:**

- Restoration: The Brafferton \$2,900,000 GF  
\$1,600,000 NGF

This amendment requests \$2.9 million in general fund support and \$1.6 million in non-general fund authority to support the \$4.5M capital project, "Renovate: The Brafferton."

# The Virginia Higher Education Opportunity Act of 2011

## HB 2510 and SB 1459

Implements the recommendations of the Governor's Commission on Higher Education Reform, Innovation and Investment with:

### **ECONOMIC OPPORTUNITY**

- 100,000 more degrees in 15 years
  - Increase enrollment
  - Degree completion
  - Increase graduation rates
- Invest in high-demand, high earning STEM degrees
- Research and development
  - Public/Private research initiative
  - Sustained commitment

### **REFORM-BASED INVESTMENT**

- Year-round use of physical and instructional resources
- Technology-enhanced instruction
- Innovative and economical degree paths
- Build on prior restructuring activities

The Virginia Higher Education Opportunity Act of 2011  
HB 2510 and SB 1459

## **AFFORDABLE ACCESS**

- Codified policy commitment and funding model
- Increase access for Virginia students
- Financial aid
- Higher Education “Rainy Day” fund

# The Virginia Higher Education Opportunity Act of 2011

## HB 2510 and SB 1459

### **AFFORDABLE ACCESS**

- Conceptual Framework: Funding Model
  - Basic operations and Instruction
    - Think adjusted base adequacy calculation
    - Institution-specific “Cost of Education”
    - Assumes tuition revenue generated relates to Cost of Education calculation
  - Per-Student Funding for Enrollment Growth
  - Need-based Financial Aid
    - Increase State support
    - Expand middle-class aid options
  - Incentives for Economic Impact and Innovation
    - Recognize institutional autonomy
      - Restructuring
    - Incentives for initiatives addressing:
      - STEM degrees
      - Public/Private research
      - Graduation rates/improved completion
      - Technology enhanced instruction, on-line programs, resource sharing
      - Year-round utilization
      - Transfer and other pathway programs