

COLLEGE OF WILLIAM & MARY



**Committee on Financial Affairs
Board of Visitors**

February 3, 2012

Governor's Introduced Budget Resource and Expenditure Summary

Projected Carry-forward Balance: \$546 million

General Fund Growth Rates:

- FY 2013 3.3%
- FY 2014 4.5%
- Slightly below growth rate projections developed last year
- Virginia's long-term average annual growth rate
 - 6.0% to 6.5%

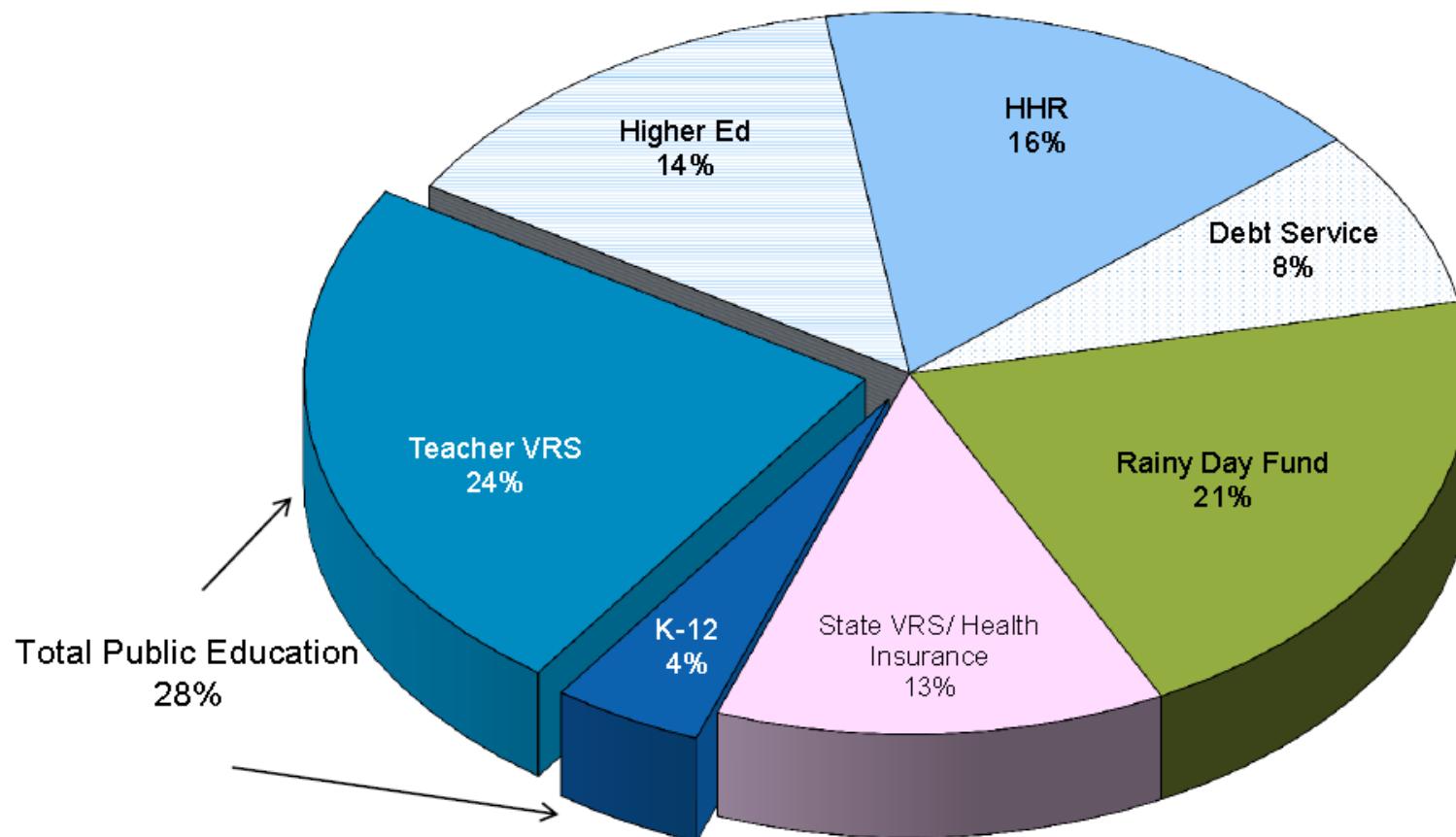
Proposed General Fund Budget (2012-14)

(\$ in millions)

| | <u>FY 2013</u> | <u>FY 2014</u> | <u>Biennium</u> |
|---------------------|----------------|----------------|-----------------|
| Available Resources | \$17,191.4 | \$17,383.6 | \$34,575.0 |
| Base Budget | \$16,548.0 | \$16,548.0 | \$33,096.0 |
| + Net new spending | + 630.4 | + 817.1 | + 1,447.5 |
| | \$17,178.4 | \$17,365.2 | \$34,543.6 |
| Balance | \$ 13.0 | \$ 18.4 | \$ 31.4 |

\$1.447 Billion Net New Spending Over Biennium

HB 30: Share of Major New Spending



Governor's Major Budget Recommendations

---- Higher Education ----

- Base Operations \$25.5 million
 - Based on percent of guidelines
- Degree Incentives \$20.4 million
 - Emphasis on STEM degrees
- Enrollment Growth \$16.2 million
 - Enrollment growth (2010 to 2011)
- TJ 21 Objectives \$5.1 million
- Student Financial Aid \$6.4 million
- Higher Education Research \$12.4 million
- Tuition Assistance Grants (private) \$5.8 million
- Virtual Library (VIVA) \$2.8 million
- FY 2013 Reallocation \$34.7 million
- FY 2014 Reallocation \$57.8 million

COLLEGE OF WILLIAM AND MARY

Governor's Introduced Budget

Operating:

- Eliminates 2012 reversion \$400,000
- Base Adequacy \$529,371
- Degree Incentive \$625,911
- Student Research (STEM) \$250,000
- Enrollment growth \$ -0-
- Financial Aid \$ 52,560
- FY 2013 Reallocation \$1.4 million
- FY 2014 Reallocation \$2.4 million

SIX YEAR PLAN

Incremental Expense by Priority and Source

| Priority | Year 1 | | | Year 2 | | |
|-------------------------------------|------------------------|--------------------------|---------------------|------------------------|--------------------------|---------------------|
| | State Supported | College Supported | Reallocation | State Supported | College Supported | Reallocation |
| 1a. Faculty Salaries | -0- | \$ 2,940,000 | -0- | -0- | \$ 6,041,000 | -0- |
| 1b. Staff Salaries | -0- | 1,927,000 | -0- | -0- | 3,931,000 | -0- |
| 2. Undergraduate Financial Aid | -0- | 1,840,000 | -0- | -0- | 3,680,000 | -0- |
| 3. Enrollment | -0- | 356,000 | -0- | -0- | 752,400 | -0- |
| 4. Marine Science Minor | -0- | 75,000 | -0- | -0- | 75,000 | 25,000 |
| 5. Graduate Financial Aid | -0- | 500,000 | -0- | -0- | 1,000,000 | -0- |
| 6. Instructional Technology | -0- | 82,000 | 80,000 | -0- | 85,300 | 80,000 |
| 7. Campus Security | -0- | 100,000 | -0- | -0- | 209,000 | -0- |
| 8. Sustainability | -0- | -0- | 62,000 | -0- | -0- | 64,500 |
| 9. Business Process Improvement | -0- | -0- | 250,000 | -0- | -0- | 500,000 |
| 10. Data Warehouse | -0- | -0- | -0- | -0- | -0- | 590,000 |
| 11. Operating Funds | 162,800 | 244,200 | -0- | 249,600 | 374,400 | -0- |
| 12. Library | 121,600 | 182,400 | -0- | 252,800 | 379,200 | -0- |
| 13. B & G Maintenance | 120,000 | 180,000 | -0- | 240,000 | 360,000 | -0- |
| 14. Utilities | 94,000 | 141,000 | -0- | 192,000 | 288,000 | -0- |
| 15. Center for Energy & Environment | 400,000 | -0- | -0- | 800,000 | -0- | -0- |
| 16. Research Opportunity Fund | 500,000 | -0- | -0- | 500,000 | -0- | -0- |
| 17. Undergraduate Research | 250,000 | -0- | 125,000 | 250,000 | -0- | 250,000 |
| 18. International Programs | 150,000 | -0- | 100,000 | 400,000 | -0- | 300,000 |
| | \$ 1,798,400 | \$ 8,567,600 | \$ 617,000 | \$ 2,884,400 | \$ 17,175,300 | \$ 1,809,500 |
| | | | Change from Year 1 | \$1,086,000 | \$8,607,700 | \$1,192,500 |

State-wide Programs/Actions

| | |
|---|--------------------------------------|
| ➤ Faculty/staff salaries | 3% bonus (paid from FY 2012 savings) |
| ➤ VRS rate increase | 6.58% to 8.76% |
| ○ Employer share | |
| ➤ VRS Employee Share | +1% over two years |
| ➤ Eminent Scholars program | \$340,000 reduction |
| ○ \$1.7 million state-wide | |
| ➤ Auxiliary interest income | State retains proceeds |
| ➤ Equipment Trust Fund | \$2.1 million |
| ○ \$56.1 million state-wide | |
| ➤ Virtual Library (state-wide) | \$2.8 million |
| ➤ Research (state-wide) | \$12.4 million |
| ➤ Modeling and Simulation Co-ordination | |

Tuition and Fee Policy

- Use of tuition and fee revenue to provide student financial assistance. The Governor's budget as introduced includes the following language:

“The amount of tuition and fee revenue generated from in-state students that is used to support financial aid shall remain at the levels appropriated for this purpose in the 2012-14 biennium. The Higher Education Advisory Committee shall evaluate the appropriate use of tuition and fee revenue generated from in-state students that is used to support financial aid with the goal of enhancing affordability for low- and middle-income in-state students and their families.” (Section 4-2.01 b.11)

The appropriation included in the Budget Bill as introduced affectively limits FY 2013 and 2014 financial aid expenditures supported with in-state tuition to current year levels.

Capital Outlay

- Renovation: Tyler Hall \$250,000
- Utilities Infrastructure, Phase IV \$250,000
- Maintenance Reserve 2013 \$2.9 million
- Maintenance Reserve 2014 \$6.3 million
 - Includes Storm Water Management
 - Includes Accessibility Improvements
- Dorm Improvements \$5 million
9(c) debt
- Auxiliary Facility Improvements \$12 million
9(d) debt

Capital Outlay Amendments