

# COLLEGE OF WILLIAM & MARY



**Committee on Financial Affairs**

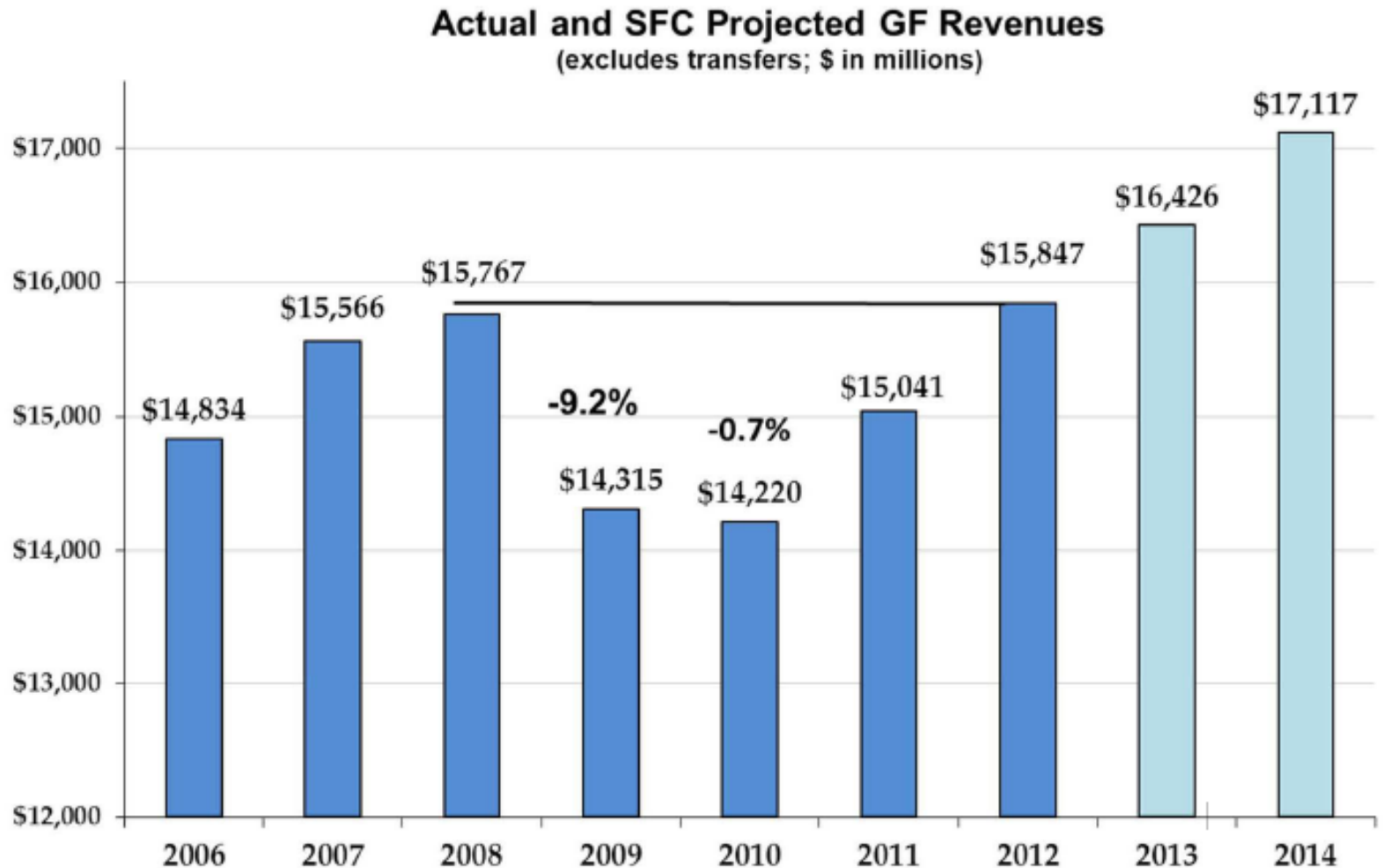
**Board of Visitors**

**November 30, 2012**

# State Budget Outlook

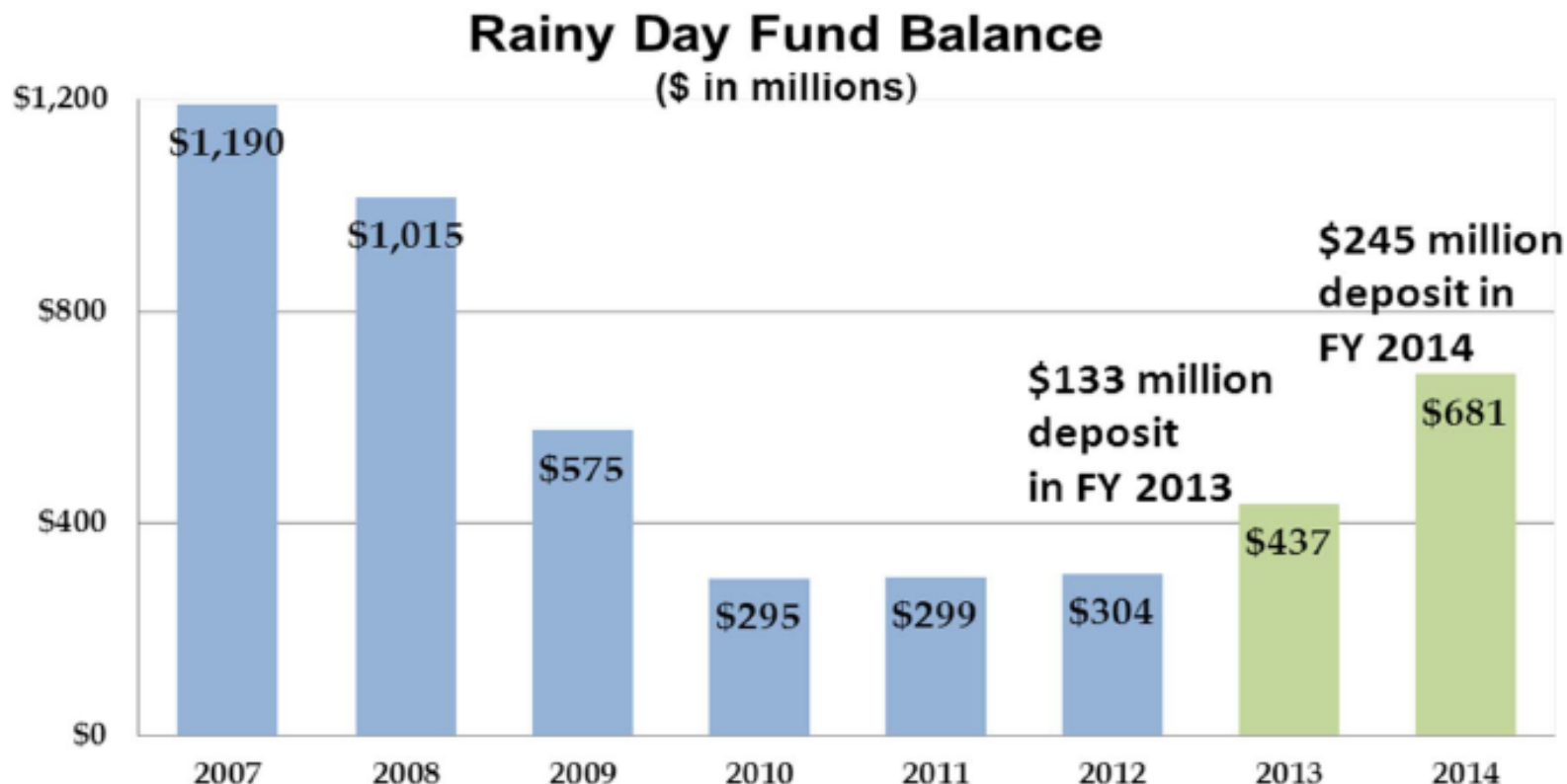
# Revenue Performance:

## GF revenues return to 2008 level



# Rebuilding the Rainy Day Fund

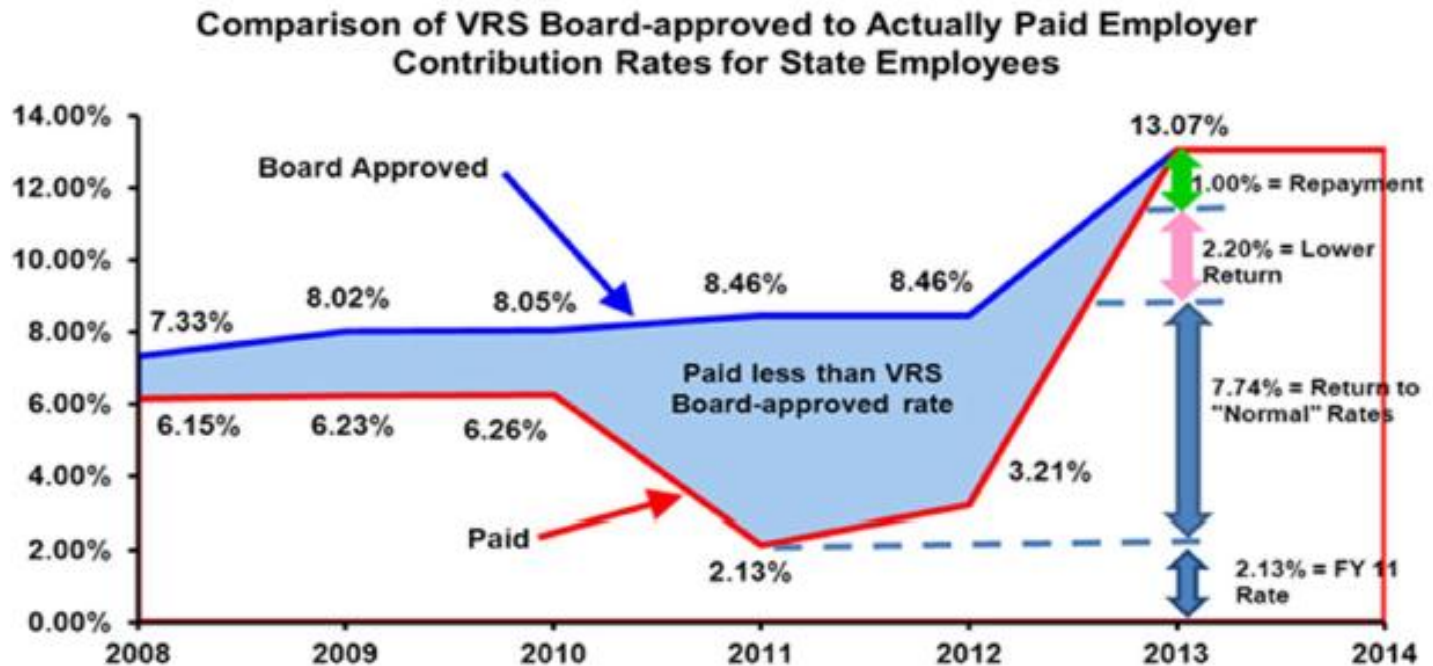
*Two deposits bring the fund to its highest balance since 2008.*



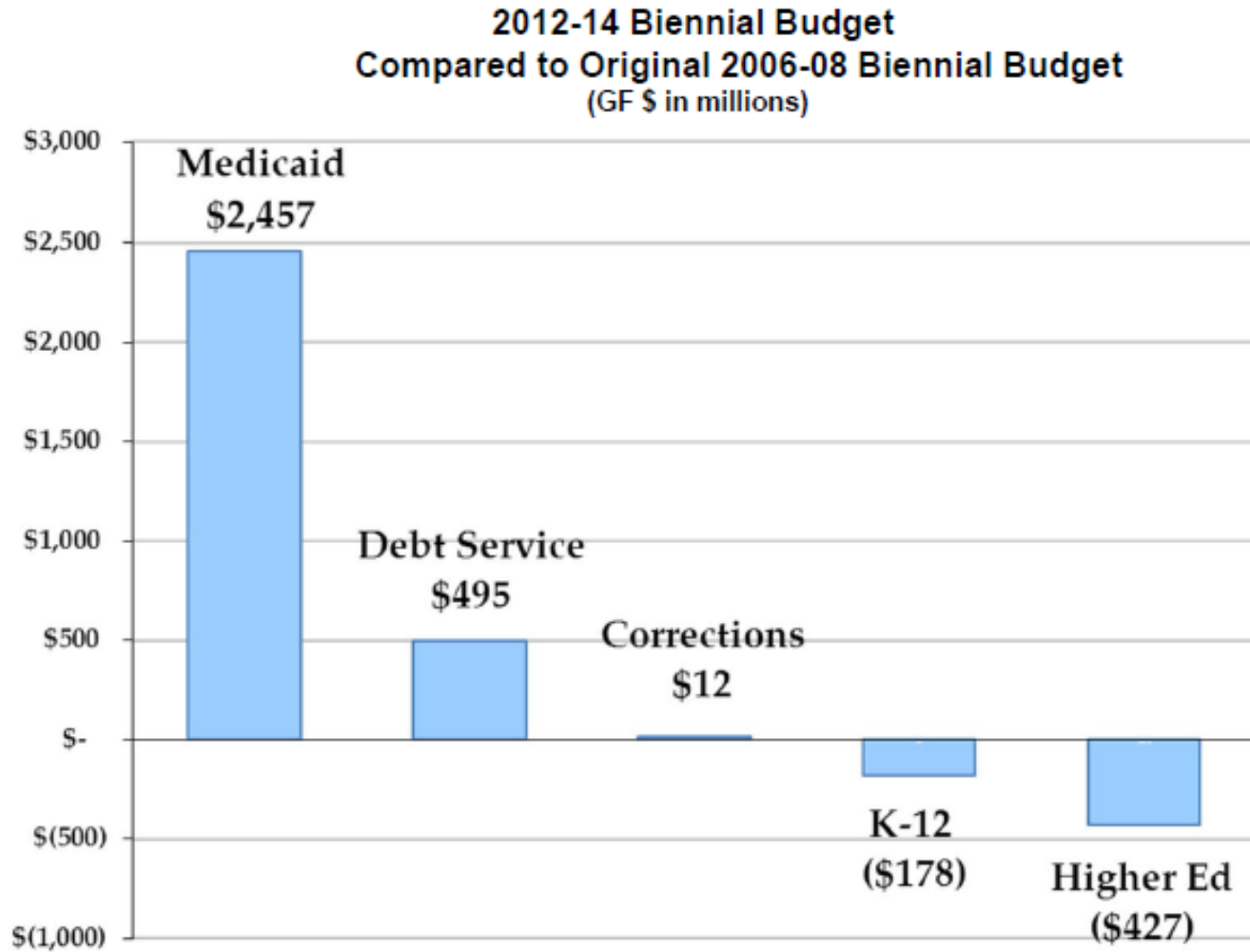
# Improving “Structural Balance” – VRS

## Unwinding one-time savings from 2010

- Provided \$342.4 million for teachers and \$86.2 million for state employees to fund higher VRS costs in this biennium (another \$260 million for state employees was covered in the revenue adjustments).
- Rates jumped dramatically to make up for two years of paying only part of the contribution rate typically paid.



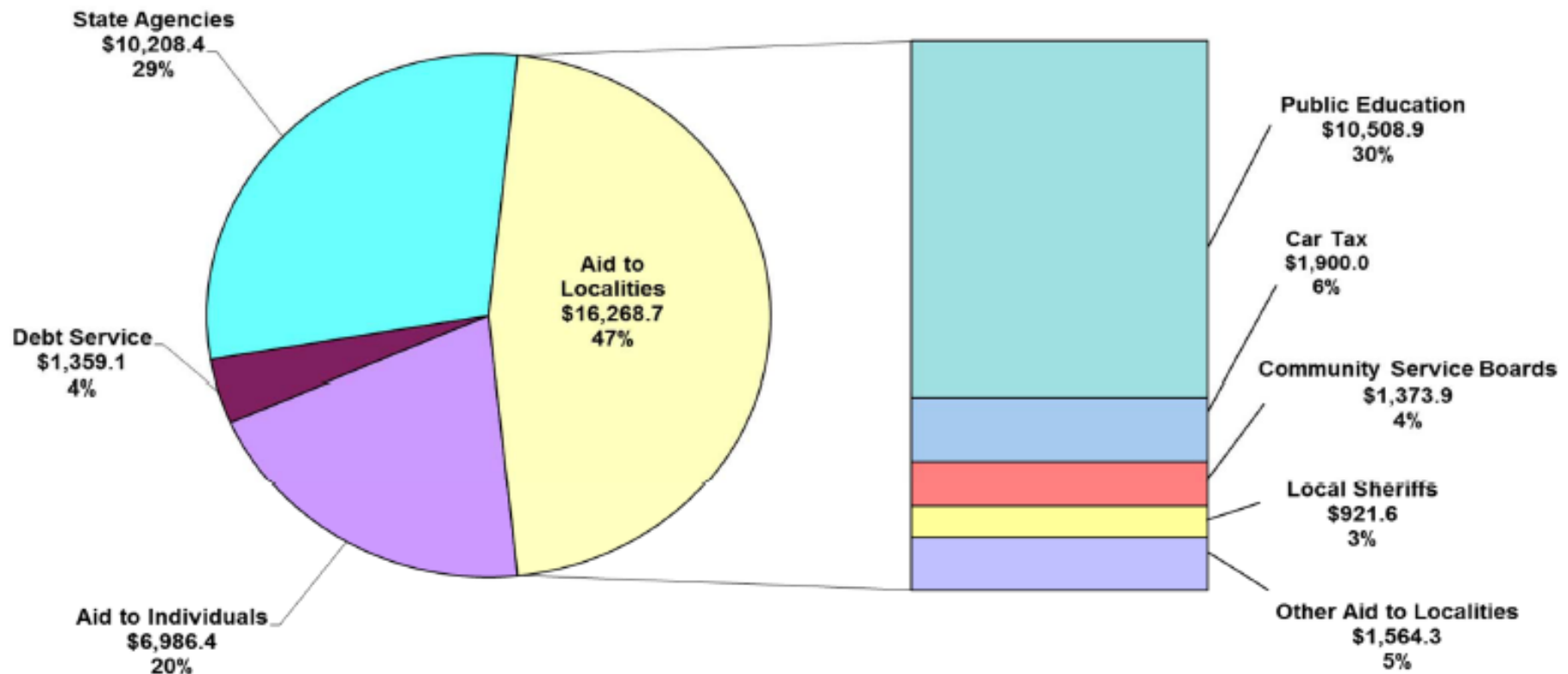
# Budget changes have varied across programs, agencies



# General Fund Budget Drivers:

## Percent of budget to locals has declined

2012-2014 GF Operating Budget = \$34,822.6  
Chapter 3 (HB 1301, as Adopted)  
(\$ in millions)



# Budget Outlook 2013 Session

- Available resources will likely cover the high priority budget pressures, leaving some room for other items.
  - Potential impact on the 2014-16 biennial budget -- may want to consider directing available resources to one-time uses, rather than building a larger base budget.

## 2012-14 Budget Outlook

*(\$ in millions)*

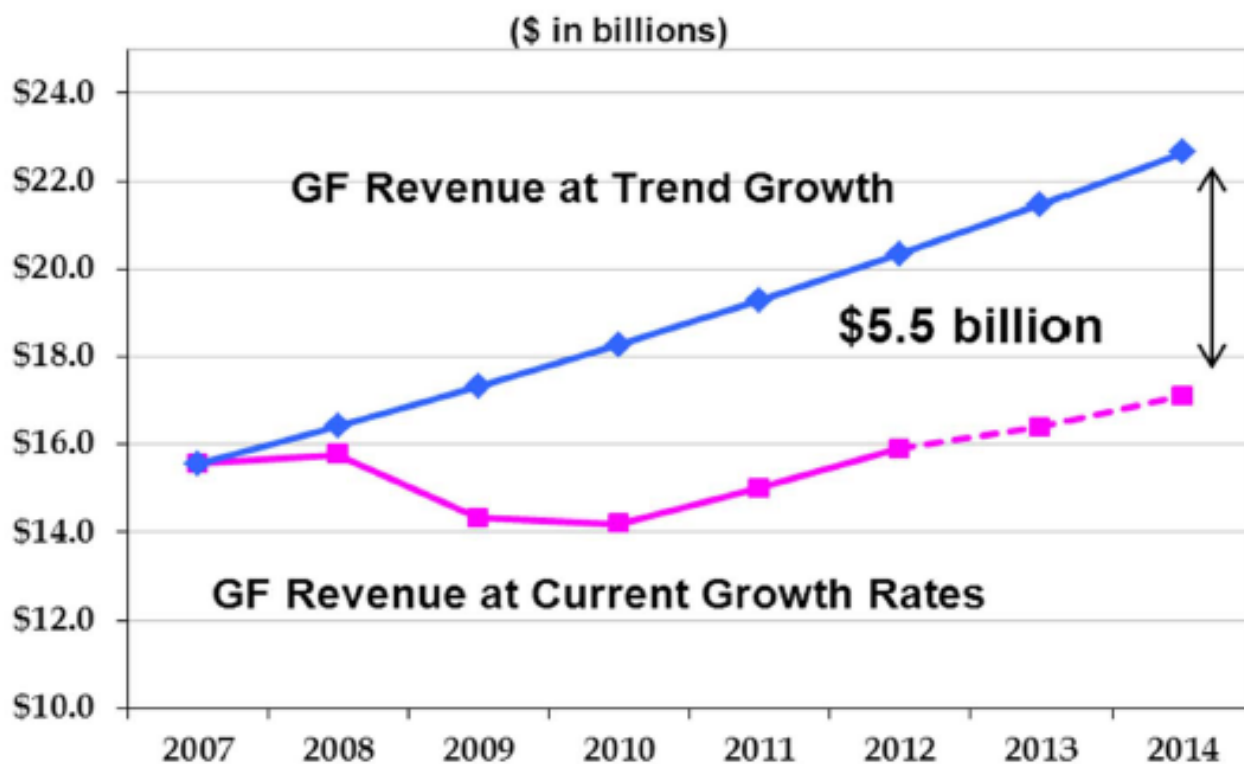
	<u>FY 2013</u>	<u>FY 2014</u>	<u>2012-14</u>
Chapter 3, 2012 GF Revenues	\$17,389.3	\$17,459.9	\$34,849.2
Revenue Adjustment	\$123.6	\$88.8	\$ 212.4
Balances, Other	<u>115.2</u>	<u>11.3</u>	<u>126.5</u>
<b>Total, Additional Resources</b>	<b>\$238.8</b>	<b>\$100.1</b>	<b>\$338.9</b>
 Budget Pressures	 <u>( \$ 63.4)</u>	 <u>\$227.1</u>	 <u>\$163.7</u>
<b>Net Available</b>	<b>\$302.2</b>	<b>(\$127.0)</b>	<b>\$175.2</b>





# Below trend revenue growth rates continue

*Virginia has seen five years of negative or below-trend growth. Rates of 3.5% in FY 2013 and 4.1% in FY 2014 continue to lag historical growth rates.*



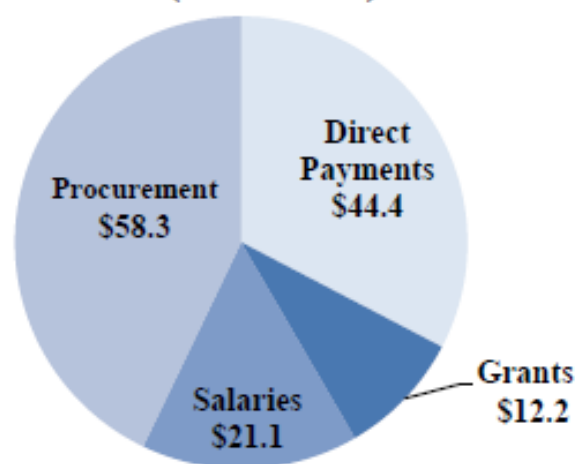
# “Fiscal Cliff”

## What does it mean for Virginia?

- While Virginia receives less federal aid to state and local governments than any other state in the nation, Virginia is the number one recipient of federal procurement spending and federal defense spending on a per capita basis.
- Bond rating agencies have expressed concern about Virginia’s dependence on federal funds. Moody’s assigned Virginia a “negative outlook” in 2011; no change in position this year.

### FY 2010 Federal Expenditure Data - Virginia

(\$ in billions)



# Governor's Actions

## FY 2013

- Central Account Reduction \$13.0 million
  - ☐ William and Mary \$198,802
  - ☐ VIMS \$56,496

## FY 2014

- Central Account Reduction \$13.0 million
  - ☐ William and Mary \$198,802
  - ☐ VIMS \$56,496
- 4% Budget Savings
  - ☐ State Agencies
- 5% Budget Reallocation (+ 3% increase)
  - ☐ Higher Education
  - ☐ State-Wide Objectives
  - ☐ 5% for William and Mary = \$1,786,079
  - ☐ 3% for VIMS = \$497,089

## COLLEGE OF WILLIAM AND MARY

The William and Mary Six-Year Plan included reallocations totaling \$668,242 in FY 2013 and \$1,708,242 in FY 2014. The College anticipates reducing non-personal expenditures, additional turnover and vacancy savings, and program reallocations to meet the revised FY 2014 target of \$1,786,079.

Strategy	Reallocation			
	Six-Year Plan		Additional	Total
	2012-13	2013-14 (2%)	2013-14 (3%)	2013-14 (5%)
Improve use of Instructional Technology. Expand the availability of on-campus and DC-based general education and other high interest/high demand courses using a hybrid on-site/on-line model.	\$200,000	\$200,000	\$0	\$200,000
Expand student research opportunities in the curriculum as part of the College Southern Association of Colleges and Schools accreditation QEP (Quality Enhancement Program) process.	\$0	\$0	\$125,000	\$125,000
Implement the Business Innovation Project using a combination of software and consulting; digitize current and historical documents in implementing business efficiencies.	\$250,000	\$250,000	\$300,000	\$550,000
Establish a data warehouse to provide accurate and timely information to management and the Commonwealth.	\$0	\$0	\$590,000	\$590,000
Fully implement the new minor in marine science while more aggressively recruiting high school students in the STEM areas.	\$0	\$25,000	\$0	\$25,000
Establish a College-based Research Opportunity Fund to support periodic investment for STEM-focused proposals in large scale federal programs engaging multiple investigators.	\$218,242	\$218,242	\$0	\$218,242
Establish a Center for Energy and the Environment in support of research, economic development, and STEM-H training.	\$0	\$21,190	\$56,647	\$77,837
TOTAL	\$668,242	\$714,432	\$1,071,647	\$1,786,079
Chapter 3 Required Reallocation	\$535,824	\$714,432		

Draft

FY 2012 Financial Statements

# The College of William and Mary FY 2012 Draft Financial Statements

## Overview:

- Consolidated Statements of:  
The College of William and Mary,  
Virginia Institute of Marine Science,  
Richard Bland College, and  
Affiliated Foundations (“Component Units”)
- Prepared under the accrual basis of accounting;  
Revenues recognized when earned rather than received,  
Expenditures recognized when incurred rather than paid.
- Subject to audit by the State’s Auditor of Public Accounts

# The College of William and Mary

## FY 2012 Draft Financial Statements

### Financial Highlights:

- \$17.9 Million Overall Increase in Net Assets from Operations
  - + \$9.0 Million in Restricted Assets
  - + \$10.2 Million in Unrestricted AssetsFor Total Net Assets of the College of \$593.7 Million

Foundation assets increased by \$16.0 million for total net assets of \$634.4 million (\$590.7 million restricted, \$32.1 million unrestricted and \$11.6 million capital net assets)

- \$28.0 Million Overall Increase in Operating Revenues:
  - + \$16.6 Million Tuition and Fees
  - + \$ 7.6 Million Auxiliary Enterprise
- \$19.0 Million Overall Increase in Operating Expenditures:
  - + \$ 3.4 Million in Instruction
  - + \$ 2.0 Million in Academic Support
  - +\$ 3.0 Million in Student Services
  - + \$18.4 Million in Student AidOffset by decreases in Plant Operations and Auxiliary Enterprises
- \$6.0 Million Net decrease in State Appropriations

### Audit Reports:

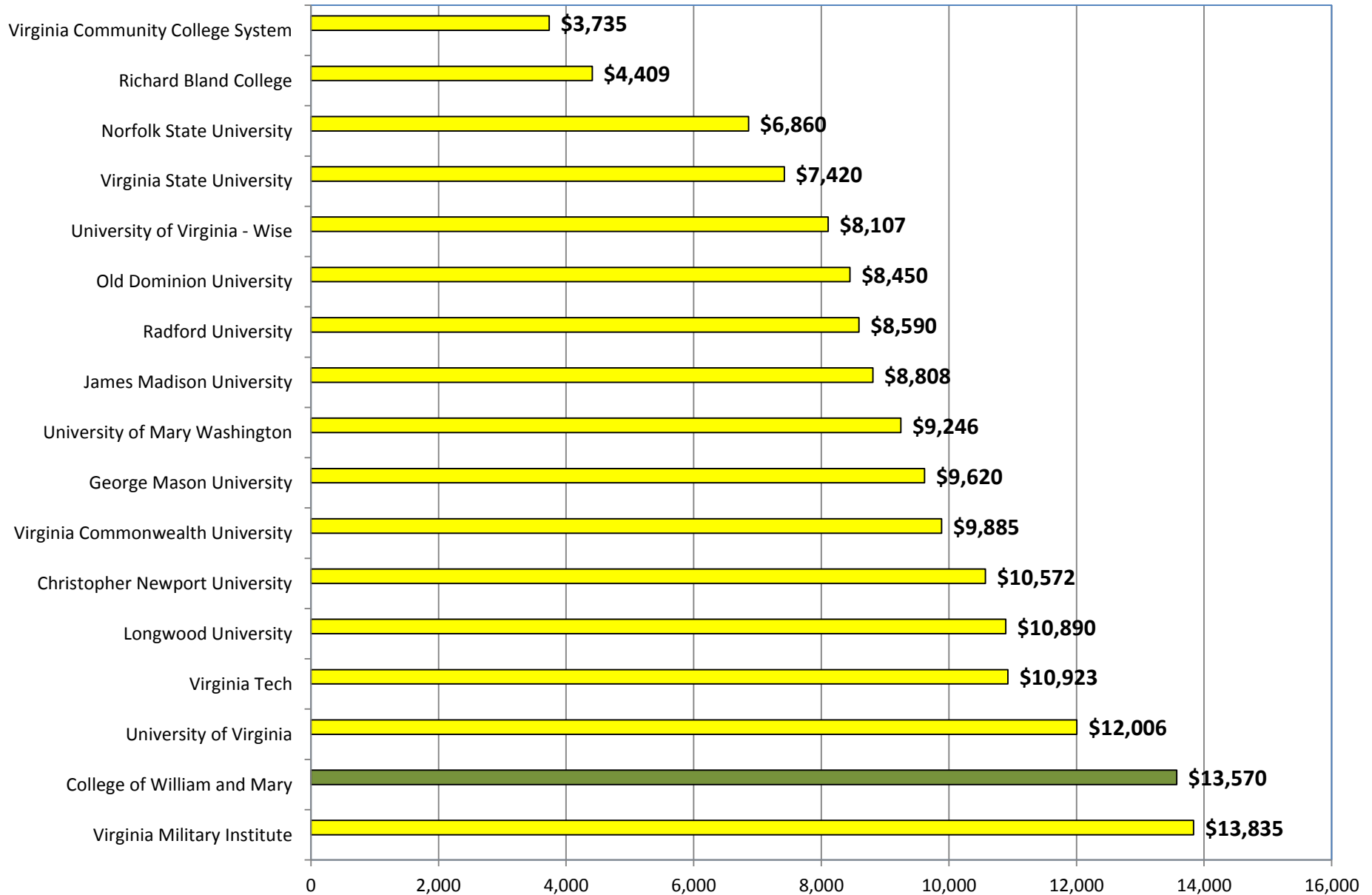
- January 2013 - Intercollegiate Athletic Report
- April 2013 - Financial Statements

# Tuition and Fees 2012-13

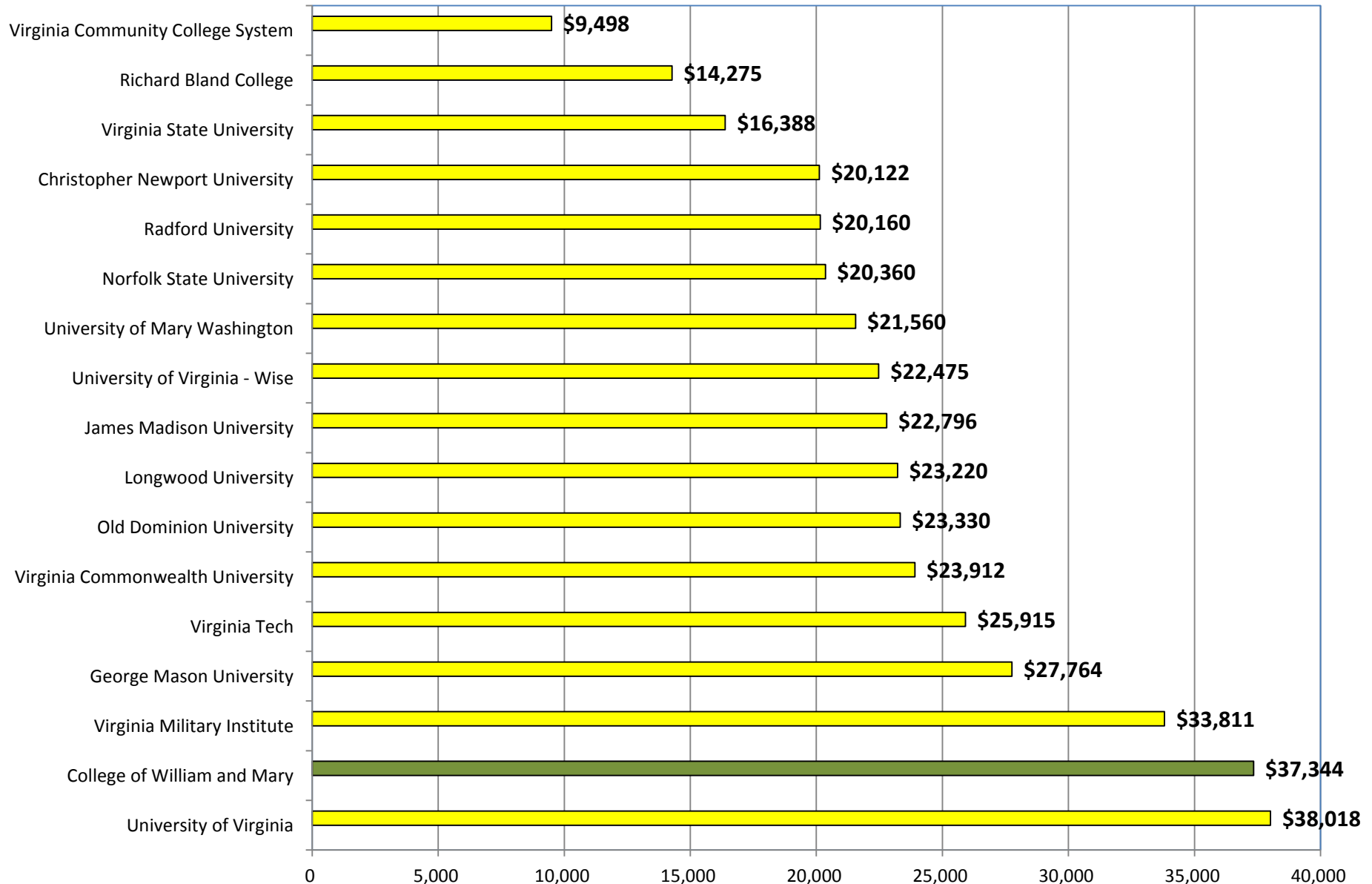
## Comparison Charts



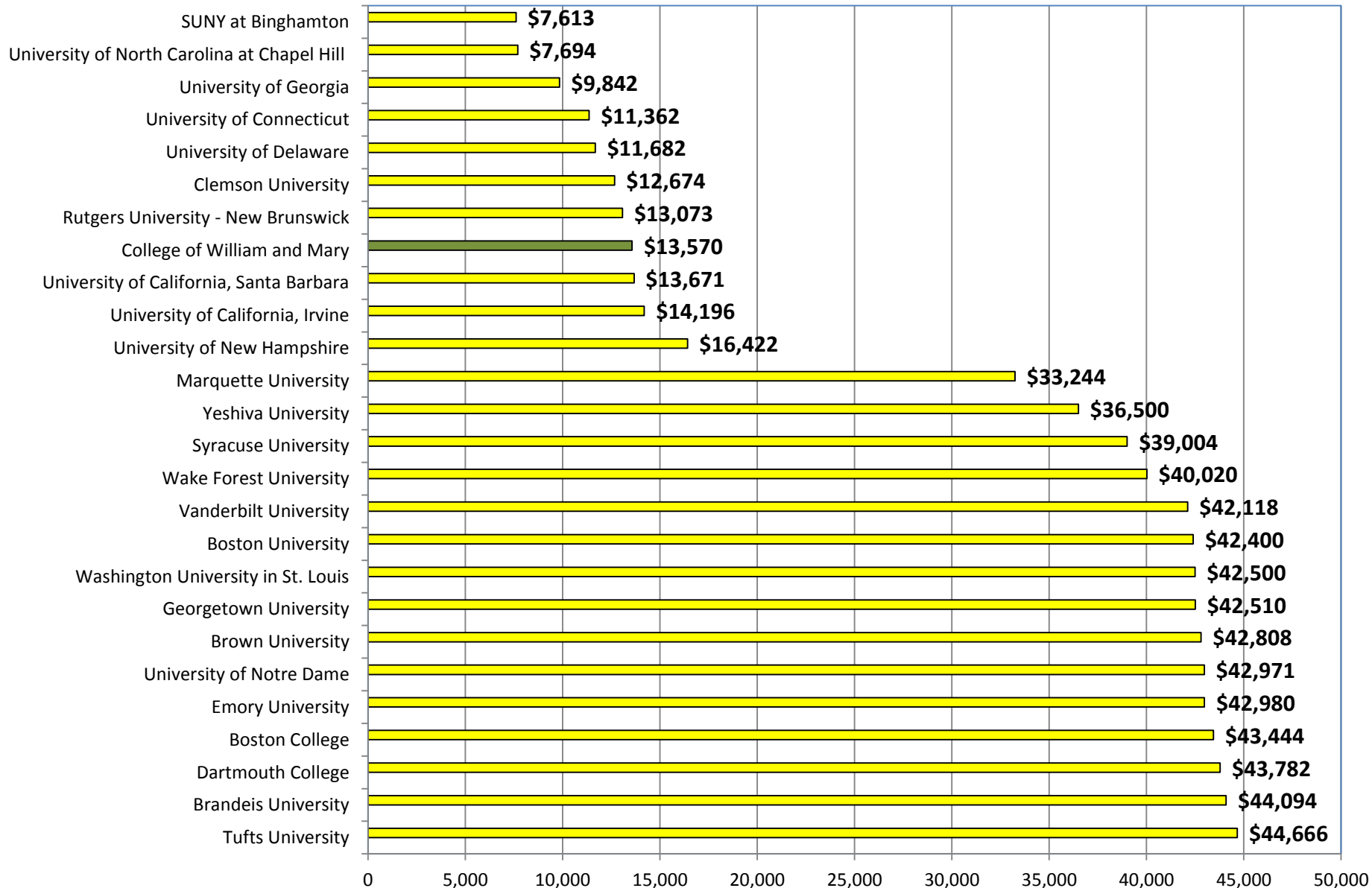
## 2012-2013 Annual In-State Full-Time Undergraduate Tuition and Fees at Virginia Public Institutions



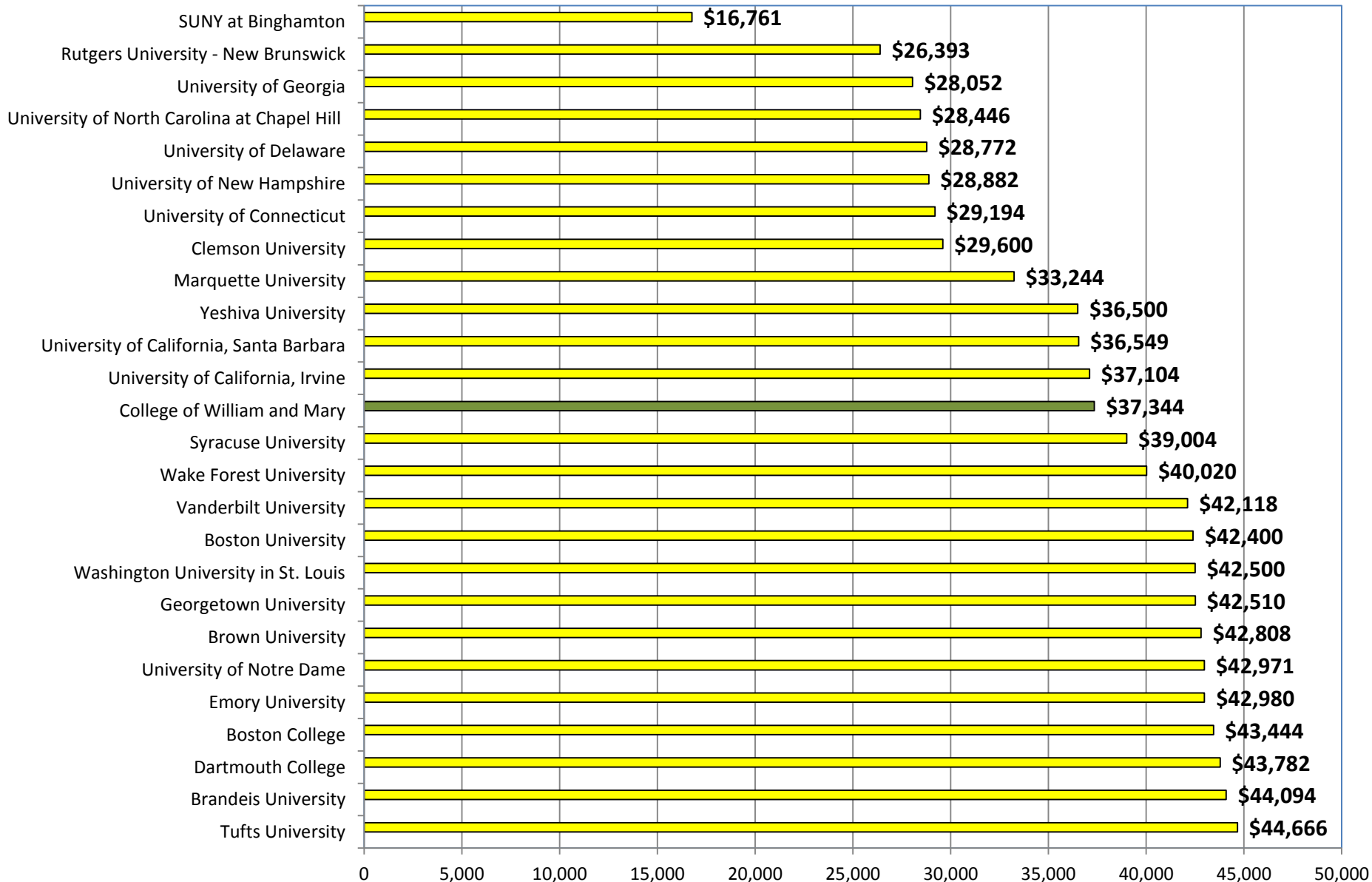
## 2012-2013 Annual Out-of-State Full-Time Undergraduate Tuition and Fees at Virginia Public Institutions



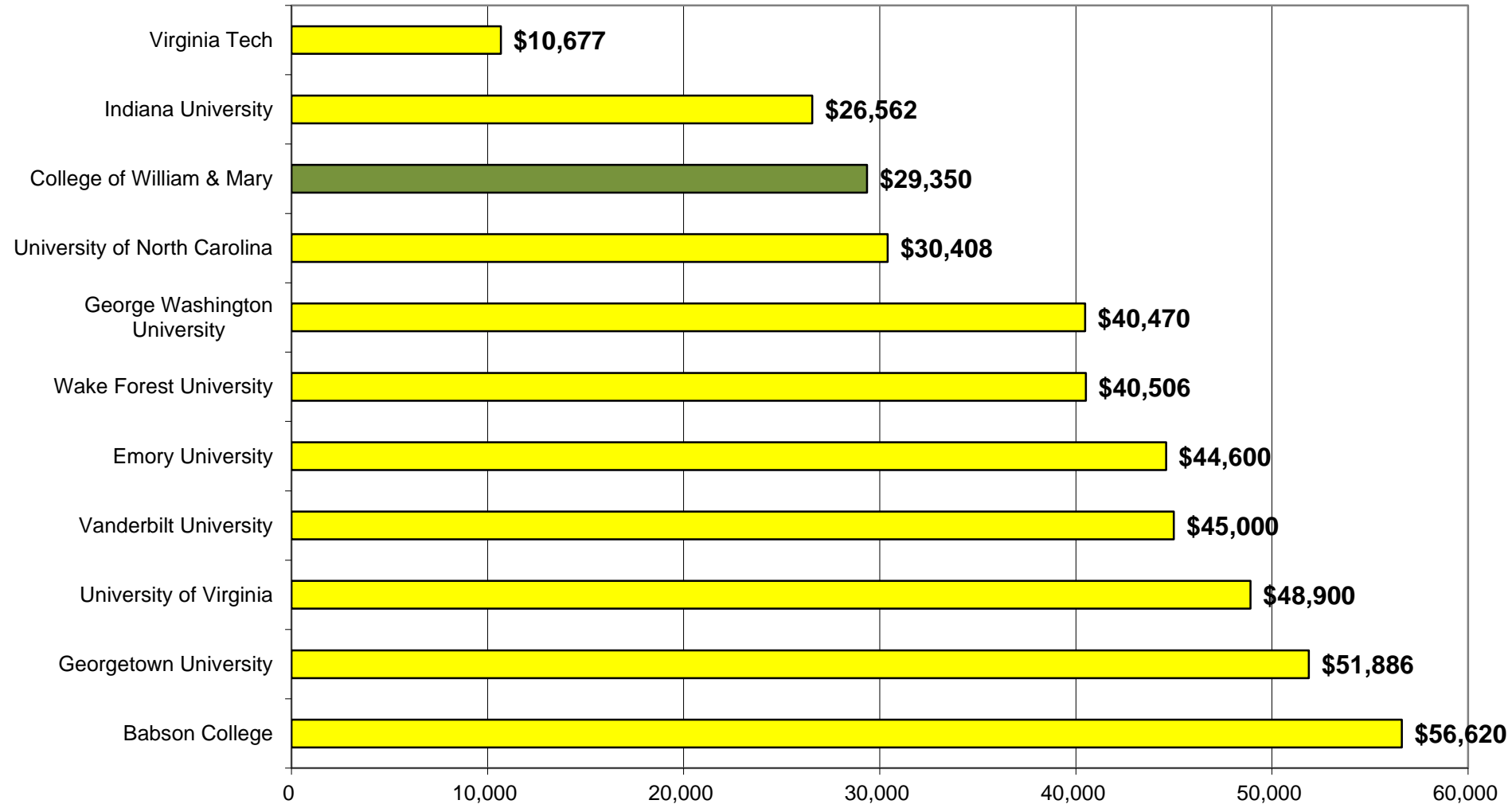
## 2012-2013 Annual In-State Full-Time Undergraduate Tuition and Fees in the W&M Peer Group



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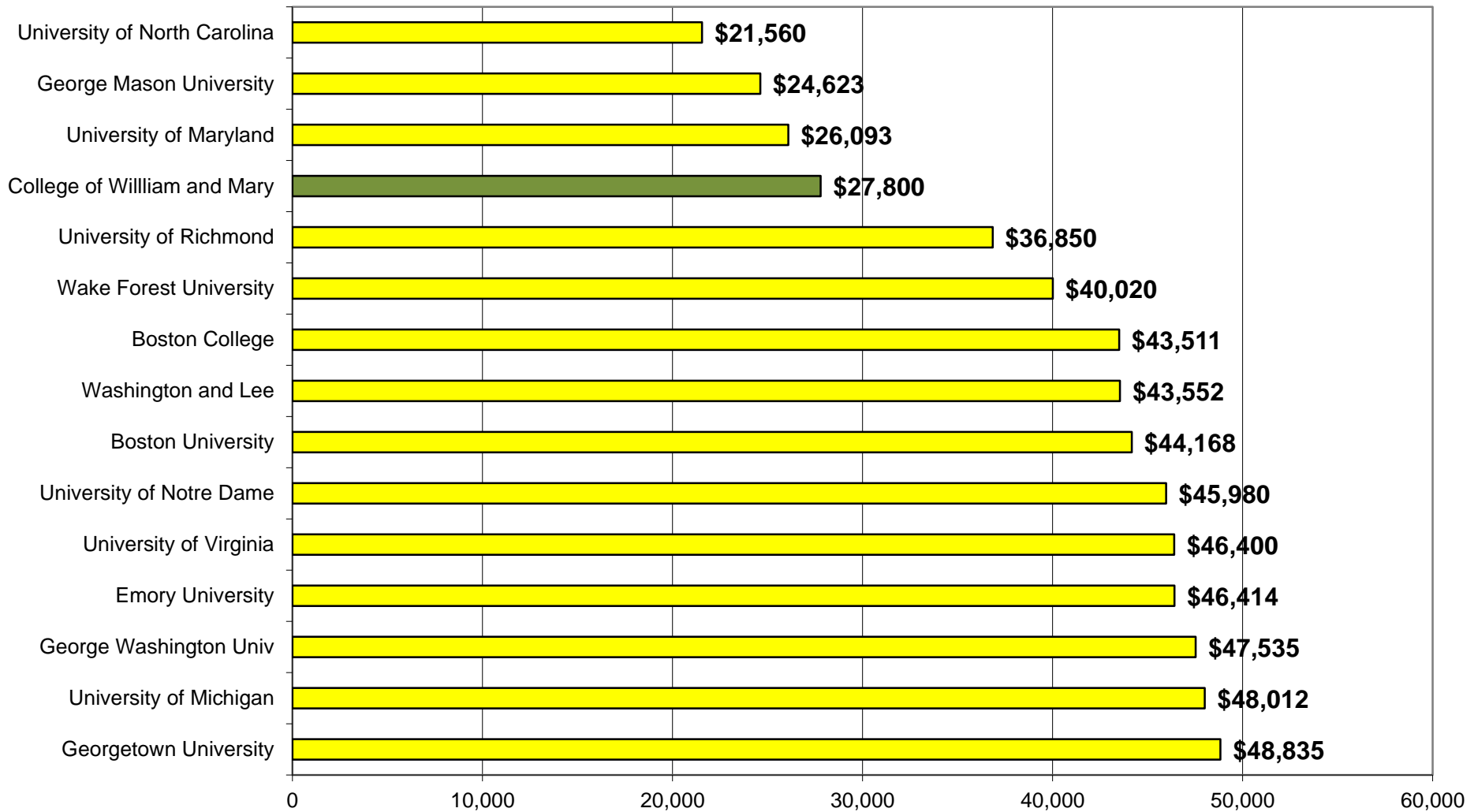
## 2012-2013 Annual In-State Full-Time Tuition and Fees for W&M Graduate Business School Comparison Group



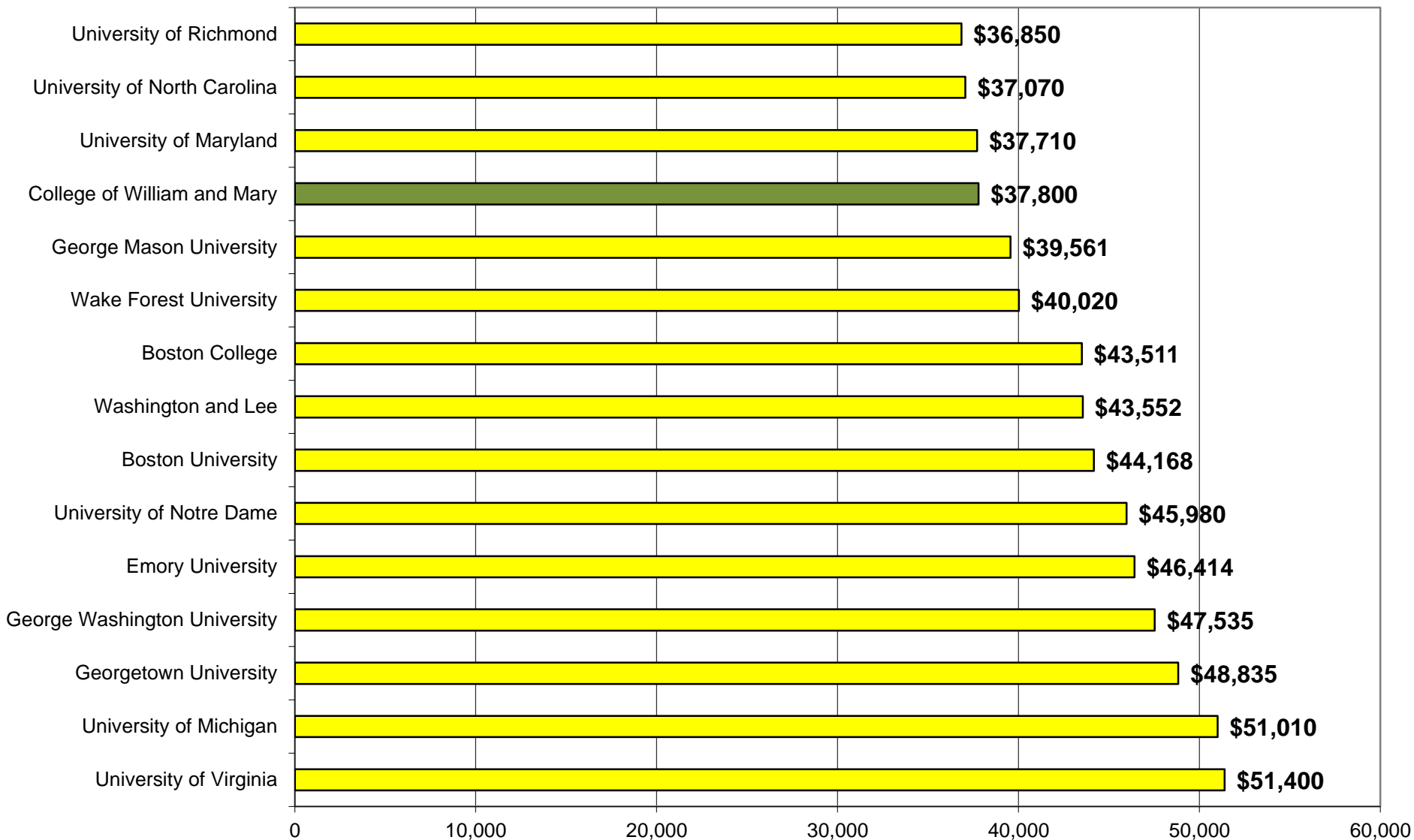
## 2012-2013 Annual Out-of-State Full-Time Tuition and Fees for W&M Graduate Business School Comparison Group



## 2012-13 Annual In-State Full-Time Tuition and Fees for Professional Students in W&M Law School Comparison Group

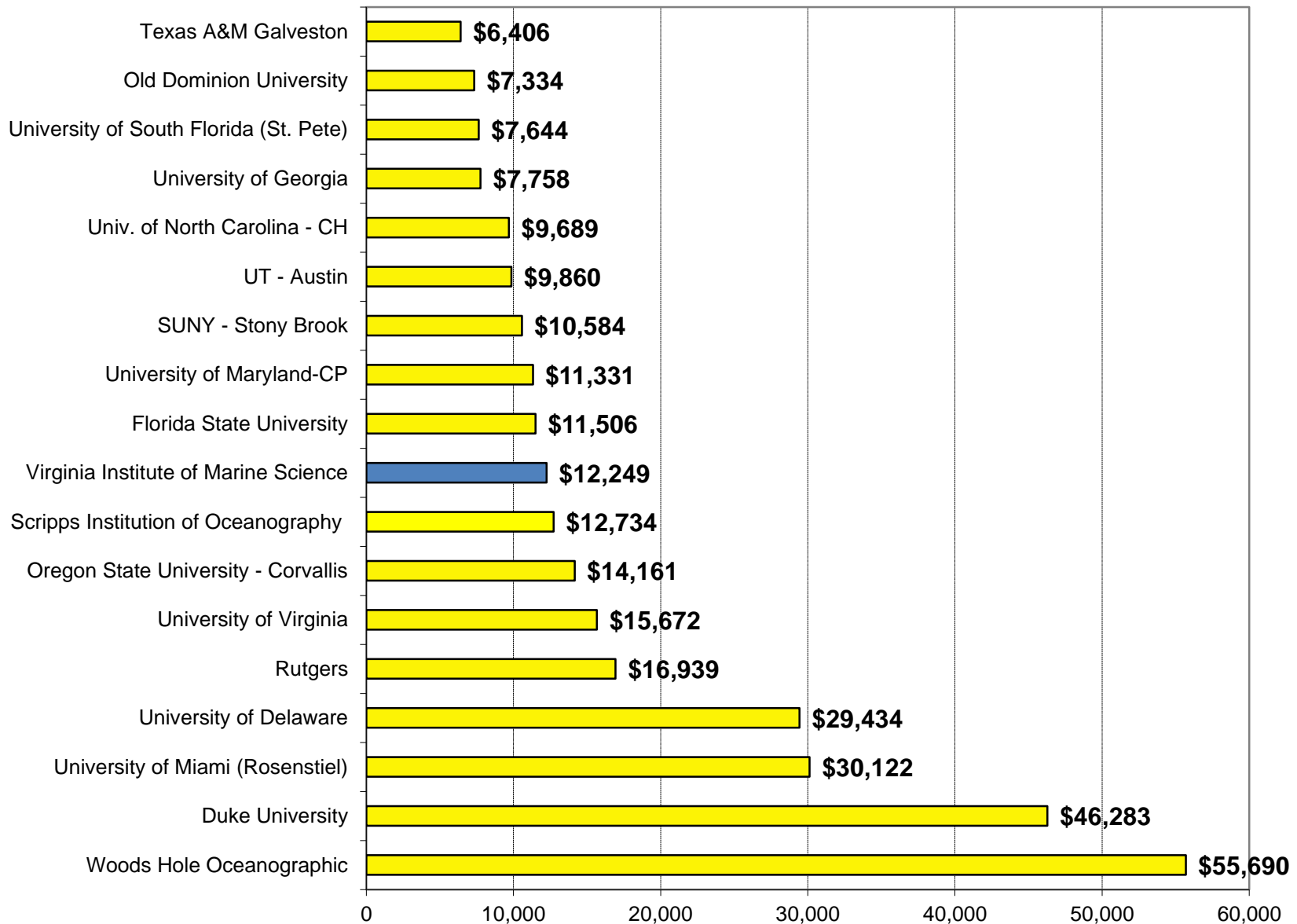


## 2012-2013 Annual Out-of-State Full-Time Tuition and Fees for Professional Students in W&M Law School Comparison Group





## 2012-2013 Annual In-State Full-Time Graduate Tuition and Fees in the VIMS Peer Group



## 2012-2013 Annual Out-of-State Full-Time Graduate Tuition and Fees in the VIMS Peer Group

