

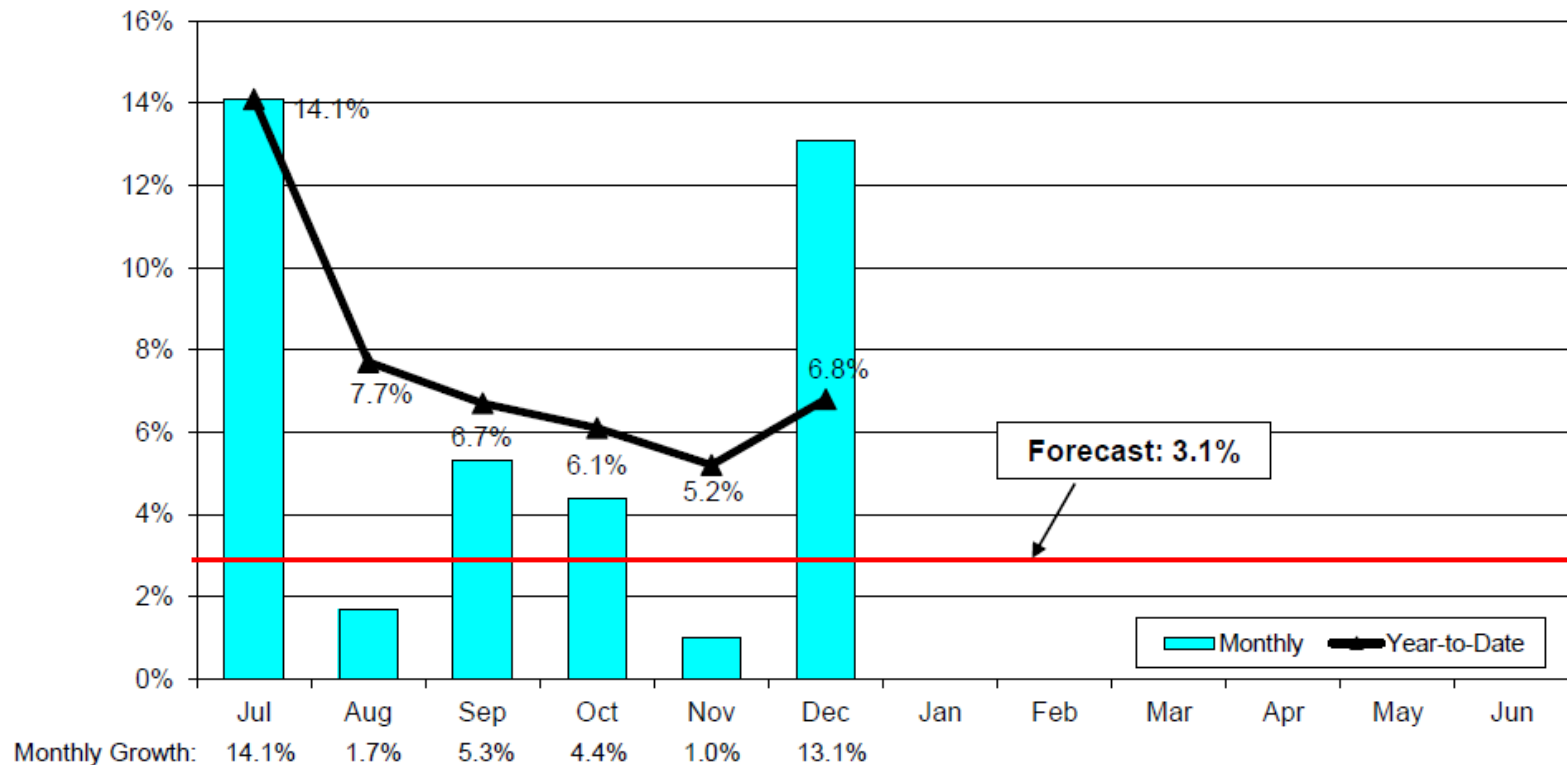
**BOARD OF VISITORS  
COMMITTEE ON FINANCIAL AFFAIRS  
FEBRUARY 6, 2015**

**THE COLLEGE OF WILLIAM AND MARY**



## Growth in Total General Fund Revenue Collections

### FY15 Monthly and Year-to-Date



- Total general fund revenues increased 13.1 percent in December, driven by growth in payroll withholding taxes (extra deposit day), individual nonwithholding payments made ahead of the January 15<sup>th</sup> due date and fewer corporate refunds.
- On a year-to-date basis, total revenues increased 6.8 percent, ahead of the annual forecast of 3.1 percent growth.
  - Adjusting for HB2313 and the AST program, total revenues grew 6.8 percent compared to the estimate of 3.0 percent growth.

# GOVERNOR'S FY 2016 BUDGET RECOMMENDATIONS

- Maintains the 5.7% (\$2.3 million) base reduction in State support*
- No additional reductions*
- No salary increases for faculty and staff*
- Increases employer share of health insurance (+2.9%)*
- Incremental funds*
  - \$100,000 in undergraduate need-based aid*
  - \$338,961 in equipment support (research)*
  - \$129,200 in building maintenance funding (capital)*
- No new language restricting Board action on tuition/fees*

# SUMMARY OF OPERATING AND CAPITAL AMENDMENTS SUBMITTED TO 2015 GENERAL ASSEMBLY

## Operating Amendments

FY 2016

*eLearning Platform*

*\$208,000 GF  
1 FTE*

*Lewis B. Puller Jr. Veterans Benefits Clinic*

*\$245,000 GF  
2.5 FTE*

## Capital Amendments

*Planning: West Campus Utilities*

*\$1,525,000  
State Funds*

*Construction: Integrated Wellness Center*

*\$10,000,000  
Revenue Bonds*

COLLEGE OF WILLIAM AND MARY  
**FY 2016 Investment Challenges/Opportunities**

- *Offset State Funding Reduction/Health Insurance increase*
- *Improve Faculty and Staff Salaries*
- *Allocate Additional Student Financial Aid*
- *Recognize the Impact of Enrollment Growth*
- *Support a Phase-in of the New Curriculum*
- *Improve Research Support*
- *Enhance Student Support*
- *Continue Business Innovation Activities*
- *Support Maintenance and Operations*

# JLARC HIGHER EDUCATION STUDY

## **Study Mandate (HJR 108)**

- Study the factors affecting the cost efficiency of higher education operations and identify opportunities to reduce cost of public education in Virginia

## **Five Reports addressing:**

- Trends in higher education
- Non-E&G activities (primarily auxiliary enterprises)
- Review of academic cost and efficiency
- Review of administrative efficiency
- Strategies and practices to improve efficiency/effectiveness
- 32 Recommendations with 7 additional options



# INSTITUTIONAL RESPONSE

- Includes the collective position of Virginia's institutions for each recommendation and option
  - Impact of some recommendations may vary across institutions
- Support 17 of JLARC's 32 recommendations, many of which can be implemented in short-term
- Recommend further discussion and analysis of remaining recommendations and policy options in order to assess:
  - Ease or complexity of implementation
  - Impact on our diverse set of institutions, including unintended consequences

# JLARC RECOMMENDATIONS – SUPPORT

- Institutional review of organizational structures
- Implementing cooperative procurement
- Standardizing purchases of commonly-procured goods
- Standardizing student fee structure
- Updating and revising data, formulas, and processes:
  - Base adequacy model
  - Average faculty salaries
  - Maintenance reserve funding model and program
  - Capital prioritization process and funding



# JLARC RECOMMENDATIONS – RECOMMEND FURTHER DISCUSSION

- Benchmarking discipline- level faculty salary averages
- Revising state's cost-share goal
- Revising allocation of VSFAP funds
- Imposing limit on tuition and fee increases
- Imposing cap on student fees
- Additional reporting requirements
  - State-funded research projects
  - Services and activities funded by student fees
  - Deferred maintenance plans
  - Metrics related to capital review process (capital spending, debt)
  - Metrics to assess facilities condition

# GENERAL ASSEMBLY RESPONSE

- Delegate Massie Working Group
- Budget Language
- Specific Legislation

□ Example: House Bill # 1897 (Cox)

- ❖ Athletic Fees

- ❖ Limits subsidy from student fees by NCAA Football Division (70% for Division 1-AA)
- ❖ Requires that any percentage increase in student fee subsidy be matched by a like percentage increase in generated revenue
- ❖ Establishes the “Intercollegiate Athletics Review Commission” to review proposed changes in division level or the addition of a major sport