



WILLIAM & MARY

CHARTERED 1693

COMMITTEE ON FINANCIAL AFFAIRS

Board of Visitors

February 10, 2017

WILLIAM & MARY
STATE BUDGET OVERVIEW

Estimated Revenue Shortfall	August Forecast	December Forecast
FY 2016	\$279.3 million	\$279.3 million
FY 2017	\$582.1 million	\$322.8 million
FY 2018	\$654.3 million	\$462.0 million
	\$1,515.7 million	\$1,064.1 million

SUMMARY OF PROPOSED BUDGET ACTIONS

Governor

House

Senate

FY 2017

Eliminate State Share of 3% Raise

Recover VRS Pre-Payment (60%)

Yes	Yes	Yes
(\$1,020,946)	(\$1,020,946)	(\$1,020,946)

FY 2018

Faculty Salary Increase

Staff Salary Increase

Reduce Operating Support

Recover VRS Pre-Payment

1.5% Bonus	3% Base (W&M Funds)	2% Base (Cost Share)
1.5% Bonus	3% Base (W&M Funds)	3% Base (Cost Share)
(\$2,183,886) (-5%)	(\$2,975,411) (-6.8%)	(\$2,183,886) (-5%)
(\$680,630)	(\$680,630)	(\$680,630)

Capital Outlay

Alternative Financing Language

Bond Authority: West Utilities

Dorm Renovations

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\$14,986,000	\$14,986,000	\$14,986,000
\$13,637,000	\$13,637,000	\$13,637,000

WILLIAM & MARY RESPONSE TO FY 2017 REDUCTION IN STATE SUPPORT

- Cash transfer to State
- Reduce pace of spending
- Provide 3% merit-based salary increase for faculty/staff
- Shift salary increase start date to December 10, 2016



FY 2018 BUDGET CHALLENGES / OPPORTUNITIES



WILLIAM & MARY

NEXT STEPS IN BUDGET PROCESS

- Incorporate final State budget actions and guidance
- Determine annual and long-term business innovation targets
- Evaluate impact of 2% / 4% budget reduction options
- Finalize FY 2018 budget recommendations
- Update Six-Year Financial Plan