



WILLIAM & MARY

CHARTERED 1693

COMMITTEE ON FINANCIAL AFFAIRS

Board of Visitors

September 23, 2016

WILLIAM & MARY STATE BUDGET OVERVIEW

Estimated Revenue Shortfall

FY 2016	\$ 279.3 million
FY 2017	564.4 million
FY 2018	<u>632.7 million</u>

\$1,476.4 million

WILLIAM & MARY

STATE BUDGET OVERVIEW

Actions to Date

- Eliminated State support for 3% raise (all agencies & institutions)
- Planned drawdown from “Rainy Day” Fund
- Requested 5% reduction plans from State agencies

Savings

\$125 million

\$378 million - \$425 million

To be determined

WILLIAM & MARY STATE BUDGET OVERVIEW

Exempted from Reductions (to date)

- Higher education
- K-12 direct aid to localities

William & Mary Actions to Date

- Holding university share of 3% salary increases (faculty/staff)
- Slowed pace of spending

WILLIAM & MARY SIX-YEAR PLAN UPDATE

Six-Year Plan:

- Required by Higher Education Opportunity Act
- Submitted in odd years (2013, 2015, etc.)
- Updated in even years (2014, 2016, etc.)
 - Institutions prepare draft plan update
 - Draft plan reviewed by “Op Six” Committee
 - “Op Six” provides comments/questions
 - Board of Visitors approval

WILLIAM & MARY SIX-YEAR PLAN UPDATE

FY 2016 Update:

- Reflects FY 2017 budget as approved by Board of Visitors, adjusted for State's removal of its share of 3% salary increase
- Maintains FY 2018 planned expenditures
- Reflecting additional State investment in FY 2018, reduces planned tuition increase for incoming in-state undergraduate students from 7.5% to 4.4%

FY 2017-18 INCREMENTAL FUNDING

	<u>Total</u>
1. Financial Aid -- William & Mary Promise	\$2,047,800
2. Faculty Salaries (+6%)	\$4,719,800
3. Staff Salaries (+3%)	\$2,400,700
4. Enrollment Growth	\$275,000
5. Undergraduate Curriculum	\$700,000
6. Retention of Under-Represented Population	\$25,000
7. Engineering and Design Initiative	\$200,000
8. eLearning Platform	\$25,000
9. Academic Program Initiatives	\$376,000
10. Base Operations*	\$1,648,300
11. Fringe Benefits	\$600,000
12. Southeast VA Cybersecurity Consortium**	\$500,000
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Total	\$13,517,600
Nongeneral Fund	\$11,023,400
General Fund	\$2,494,200

*Base Operations includes funding for library materials, technology, operation and maintenance of new facilities

**Proposed partnership with ODU that would only move forward with state funding



WILLIAM & MARY

OP SIX COMMENTS ON SIX-YEAR PLANS

General for All Institutions

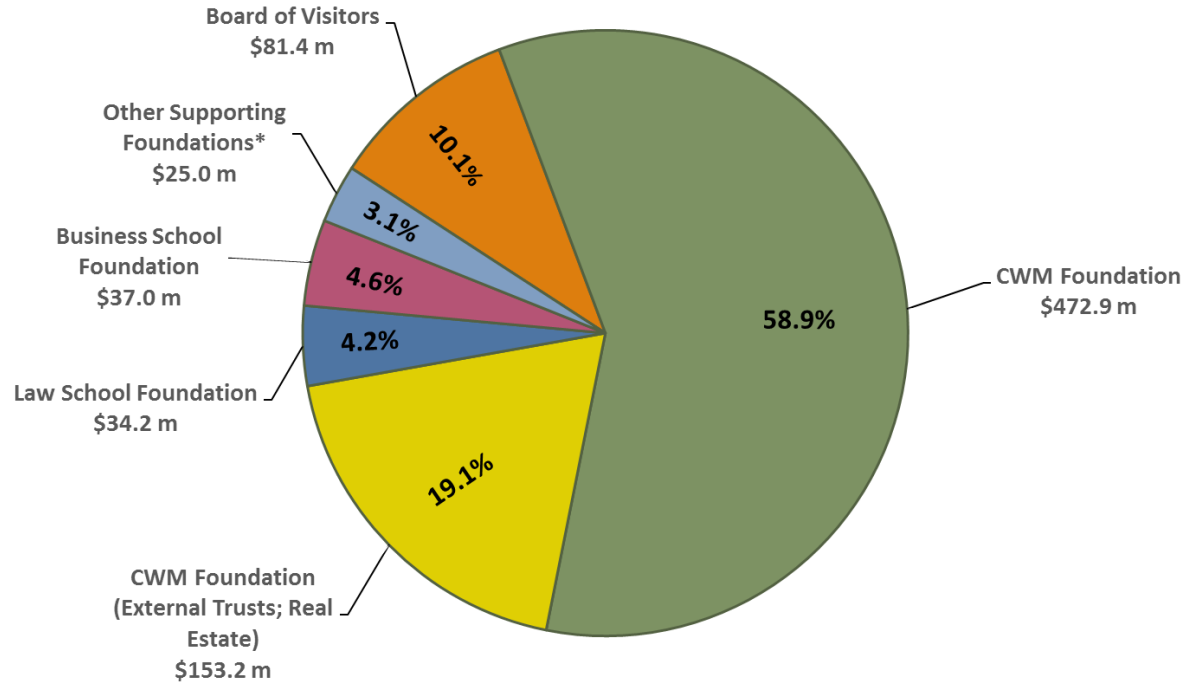
- Is there some threshold beyond which the institution doesn't see itself going with regard to the percentage of tuition revenue being used for financial aid? What is realistic?

College of William & Mary

- How realistic is it to do a 6% salary increase in FY2018? If salaries are not part of the equation what impact will it have on a tuition increase rate? When will CWM decide?
- What is CWM's involvement with the Chesapeake Economic Development Center?
- Have there been any discussions with Richard Bland College regarding assisting them with back office operations?

William & Mary
SUMMARY OF ENDOWMENT FUNDS
(as of June 30, 2016)

\$803.7 million



*Other supporting foundations include VIMS Foundation, Murray 1693 Scholars Foundation, Muscarelle Museum of Art Foundation, and others.

William & Mary

MARKET VALUE OF CONSOLIDATED ENDOWMENT

(as of June 30, 2016)

