



WILLIAM & MARY

CHARTERED 1693

FINANCIAL AFFAIRS COMMITTEE

September 27, 2018

REVISED SIX-YEAR PLAN

2018-2024 OPERATING PLAN



STATE'S SIX-YEAR PLAN PROCESS

Required for all public institutions by the Virginia Higher Education Opportunities Act (2011)*

Odd-Numbered Years

- Staff drafts initial plan for upcoming biennium in *July*
- “OpSix” reviews and comments for BOV consideration in *August*
- Final plan adopted by Board in *September*

Even-Numbered Years

- Staff drafts revisions to plan submitted in *July*
- “OpSix” reviews and comments for BOV consideration in *August*
- Final plan adopted by Board in *September*

What's the “Op-Six”?

Committee of six key officials set up to review higher education six-year plans

- Secretary of Education
- Executive Director, SCHEV
- Secretary of Finance
- Director, Dept. of Planning & Budget
- Staff Director, House Appropriations
- Staff Director, Senate Finance

* VIMS is required to submit separately.

W&M SIX-YEAR PLAN PROCESS

- Staff submitted revised draft plan in July 2018
 - Updated revenue projections with no change in tuition and fee assumptions
 - Updated general fund projections based on final General Assembly action
 - Increased financial aid expenditures to base fund FY18 one-time actions and update FY19 and FY20 needs
- Op-Six provided general comments to all higher education institutions and comments specific to W&M

OP-SIX FEEDBACK

HIGHER ED GENERAL

- **Mandatory Non-E&G Fees**
– 2018 General Assembly lowered the cap to 3%, excluding debt service and required salary and fringe benefit increases. Explain any proposed increases over 4%.

Note: The OpSix provided additional clarifying guidance to all institutions on salary assumptions, net funding assumptions, and reporting of research activity.

W&M SPECIFIC

- **Financial Aid under the Promise** – Requested additional information on change in financial aid.

Note: The OpSix requested additional information on total tuition and fees given reported differences by incoming class for in-state, undergraduates under The Promise.

PROPOSED SIX-YEAR PLAN UPDATE

| Assumptions | Original Plan (October 2017) | Revised Draft (July 2018) | Updated for BOV (September 2018) |
|--|---|---|--|
| FY20 Tuition Increases | Undergrad - In-State 6.4% - Out-of-state 3.4% Graduate 4.4% | No Change from Original Plan | Undergrad - In-State 5.4% - Out-of-state 3.4% Graduate 4.4% |
| Mandatory Non-E&G Undergraduate Fee Increases | FY19 – 4.0% FY20 – 4.0% | FY19 – 5.3% (approved by BOV in April 2018) FY20 – 4.0% estimated | No Change from Revised Draft |
| Increased Production of High Demand Degrees | Included \$500,000 institutional investment (i.e., tuition revenue) in Engineering & Design Initiative (EDI). | Includes \$500,000 institutional investment in EDI and \$1.2 million state general fund support to increase degrees in STEM-H fields. | Leverages incremental state dollars, allowing for a reduction in in-state undergraduate tuition to 5.4% while continuing to invest incremental university resources in strategic programs. |

PROPOSED SIX-YEAR PLAN UPDATE

| Assumptions | Original Plan (October 2017) | Revised Draft (July 2018) | Updated for BOV (September 2018) |
|--|--|---|---|
| Incremental NGF Financial Aid (Promise) | Included \$2.4 million in annual NGF increases for financial aid | Includes \$5.5 million in incremental NGF for financial aid in FY19 to deal with base adjustments in FY18. Includes an additional \$3.7 million above FY19 million for FY20. | No Change from Revised Draft |
| Faculty/Staff Salary Increases | FY19 – 3% T&R Faculty, 2% All Other FY20 – 3% T&R Faculty, 2% All Other | FY19 – no increase (approved by BOV in April 2018) FY20 - 2% across the board (state mandate), plus 2% merit classified staff only | FY19 – no increase (approved by BOV in April 2018) FY20 - 2% across the board (state mandate), plus 2% merit classified staff only |

RESOLUTION 17

THEREFORE, BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary, approves William & Mary's Six-Year Plan Update to reflect the university's FY 2019 operating budget as approved by the Board in April 2018.

BE IT FURTHER RESOLVED, That the Board of Visitors recognizes the incremental support for operations appropriated by the Commonwealth for the 2018-2020 biennium and as a result, the update reduces the projected in-state undergraduate tuition increase for incoming students from 6.4% as contained in the original plan to 5.4% as contained here. The Board will take formal action on in-state undergraduate tuition for FY 2020 at its November 2018 meeting.

PROPOSED STATE BUDGET AMENDMENTS



MEET GROWING DEMAND FOR DATA SCIENCE

- Request \$950,000 in state general fund support in FY20 to recruit 5 faculty positions.
 - Builds upon W&M's expertise in the field.
 - Responds to high levels of student demand.
 - Responds to Governor's priority to strengthen Commonwealth's economy through workforce development.

RENOVATE SWEM LIBRARY TO HOUSE CENTER FOR TEACHING INNOVATION

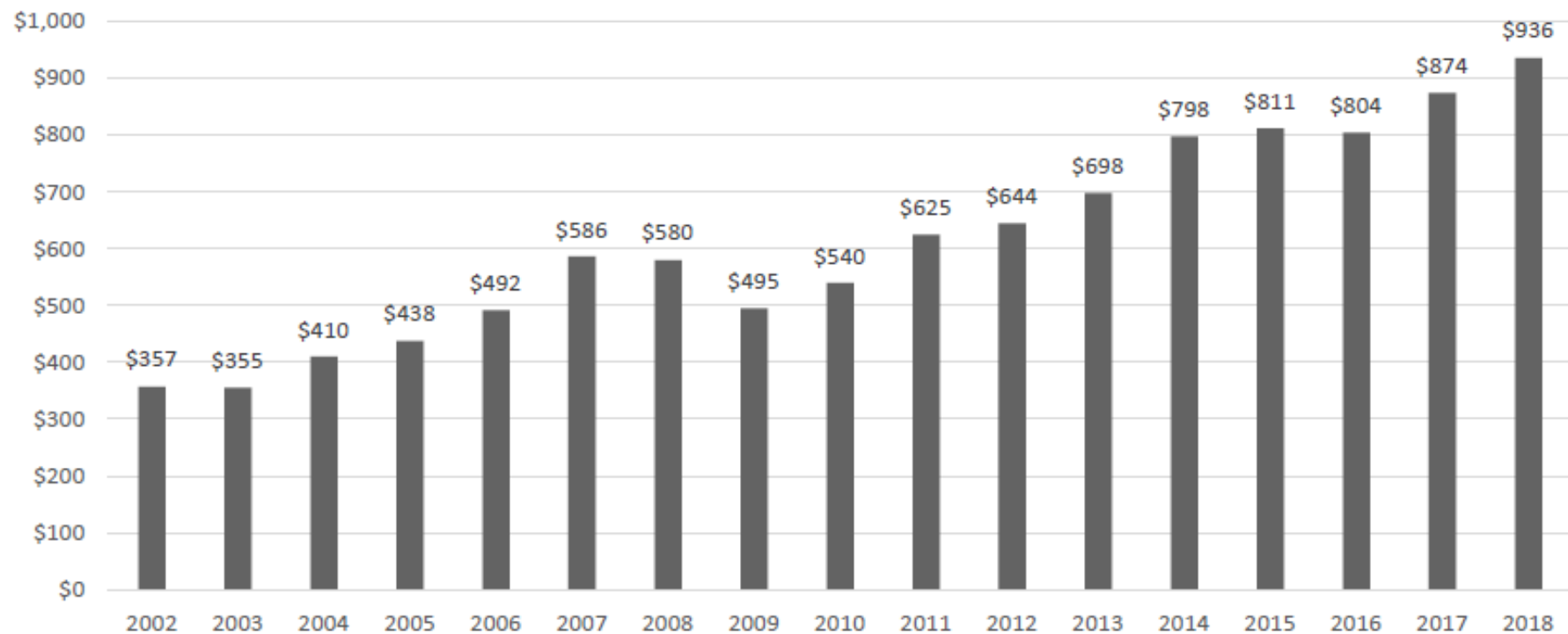
- Request \$10.7 million in state support to renovate the ground floor of Swem Library, consistent with the university's six-year plan and prior capital budget requests.
- Renovated space will serve as a hub for innovative teaching and learning, providing space to scale up best practices, and to support faculty in using both traditional and next-generation digital resources.

RESOLUTION 18

NOW THEREFORE, BE IT RESOLVED, That the Board of Visitors of the College of William and Mary, approves the administration's proposed operating and capital budget amendments

NOW THEREFORE BE IT FURTHER RESOLVED, That the Board of Visitors approves annotating the revised Six-Year Plan for 2018-2024 to reflect these high priority items.

Market Value of Consolidated W&M Endowment
As of June 30, 2018
\$ in millions



Market Value of the Endowment \$935.5 million as of June 30, 2018

