Financial Framework
Board of Visitors Planning Conference
Office of the Senior Vice President | July 26, 2018
S&P Global Mason Upgraded A+ GEORGE MASON #54 out of 500
George Mason University – Return on Investment

*Median wage in thousands of dollars*

*Four-year cost in thousands of dollars*

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*Wage data is five-year average
Source: State Council of Higher Education for Virginia (SCHEV)
## Upgraded Financial Ratings

<table>
<thead>
<tr>
<th>STANDARD &amp; POOR’S</th>
<th>Moody’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA-</td>
<td>Aa3</td>
</tr>
<tr>
<td>A+</td>
<td>A1</td>
</tr>
<tr>
<td>A</td>
<td>A2</td>
</tr>
<tr>
<td>A-</td>
<td>A3</td>
</tr>
<tr>
<td>BBB+</td>
<td>Baa1</td>
</tr>
</tbody>
</table>

*Note: A+ and A1 ratings are upgraded.*
The Financial Framework

**REVENUES**
- Philanthropy
- Retention & Enrollment
- Tuition & Fees
- New Programs
- State Appropriations

**EXPENSES**
- Academic & Administrative Enterprise
- Cost Increases
- Debt Service

**NET RESOURCES**
- Operating & Capital Reserves
- Capital Infrastructure
- Physical Plant
Internal & External Pressures on the Mission

- Disinvestment
- Federal & State Policy
- High Cost of Living
- Affordable
- Strategic Plan
- Increased Diversity
- HS Graduates
- Infrastructure Needs
- Enrollment Growth Mix
- Accessible
- High Quality
Dwindling State Appropriations

George Mason University
General Fund vs. Tuition and Other as a Percent of the E&G Budget

% State Funded

- 1985: 67%
- 2000: 57%
- 2019: 25%

State Appropriations
Tuition & Other
FY 2019 State Funding Disparity

<table>
<thead>
<tr>
<th></th>
<th>W&amp;M</th>
<th>Virginia</th>
<th>V</th>
<th>VT</th>
<th>ODU w/o Mason</th>
<th>General Fund (Mason)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$8,062</td>
<td>$8,729</td>
<td>$7,396</td>
<td>$7,188</td>
<td>$7,057</td>
<td>$7,686</td>
</tr>
<tr>
<td>In-State Tuition</td>
<td>17,570</td>
<td>14,148</td>
<td>12,247</td>
<td>11,595</td>
<td>7,047</td>
<td>12,521</td>
</tr>
<tr>
<td>Total</td>
<td>$25,632</td>
<td>$22,877</td>
<td>$19,643</td>
<td>$18,783</td>
<td>$14,104</td>
<td>$20,208</td>
</tr>
</tbody>
</table>

Mason percent of average is **73%** of total

General fund estimate is based on SCHEV FTE projection in the 2B report, numbers for all institutions will change with actual revised numbers for FY 2019.
FY 2019 Revenue Budget $1.06B

- Operating, $136.1
- Financial Aid*, $22.6
- Capital Improvements, $33.7
- Mason Capital Funds, $17.1
- Tuition, $409.3
- Mandatory Student Services & Activity Fees, $97.1
- Room & Board, $76.5
- Community & User Service Fee, $86.2
- Sponsored Research, $115.3
- Philanthropic Activities, $65.0

*Commonwealth budget approved an additional $4.2M for in-state, undergraduate financial aid
### Key Increases FY 2019 Revenue Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation, Emergency Retention, Promotion &amp; Tenure and Healthcare</td>
<td>$15.2M</td>
</tr>
<tr>
<td>Sponsored Research</td>
<td>$10.6M</td>
</tr>
<tr>
<td>Undergraduate and Graduate Financial Aid</td>
<td>$8.4M, $4.2M</td>
</tr>
<tr>
<td>Philanthropy</td>
<td>$5.0M</td>
</tr>
<tr>
<td>IT Infrastructure and Research</td>
<td>$4.7M</td>
</tr>
<tr>
<td>Strategic Initiatives</td>
<td>$4.0M</td>
</tr>
<tr>
<td>Student Services, Operations &amp; Athletics</td>
<td>$3.6M</td>
</tr>
</tbody>
</table>

- **Mason BOV approved budget at +$8.4M**
- **Commonwealth budget approved add’l undergrad finaid +$4.2M**
FY 2019 Expense Budget $1.06B

- Educational & General, $570.3
- Student Services & Activity Fees, $97.1
- Room & Board, $76.5
- Financial Aid*, $22.6
- Capital Improvements, $46.4
- Research Contracts and Grants, $115.3
- Community & User Service (Non-E&G), $65.7
- Foundation Support for Mason, $65.0
- Enrollment Related, 72%
- All Other Activities, 23%
- Capital, 5%

*Commonwealth budget approved an additional $4.2M for in-state, undergraduate financial aid
Capital Infrastructure

Campuses

★ **Home Campus, Fairfax:**
  More than 28,000 students, of which 6,200 are residential

★ **Professional, Leadership Campus, Arlington:**
  Law, conflict analysis, public policy and government, business

★ **Science & Technology Campus, Prince William County-Manassas:**
  Hub for pioneering academic, research, and entrepreneurship at Innovation Park

Regional Sites

★ **Mason in Loudoun, Sterling:**
  Integrative partnership with Northern Virginia Community College

★ **Smithsonian-Mason School of Conservation, Front Royal:**
  Devoted to sustaining global diversity

★ **Point of View Center for Conflict Analysis and Resolution, Mason Neck:**
  International research and retreat site

★ **Potomac Science Center, Belmont Bay, Woodbridge:**
  Waterfront facility geared to environmental research and education

**Mason Korea, Incheon:**
  Business, economics, Asian studies
## Six Year Capital Plan: 2018 – 2024

<table>
<thead>
<tr>
<th>Proposed Projects for submission to DPB for Legislative Consideration</th>
<th>GF</th>
<th>$11-13M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve Telecomm/Network Infrastructure – Fairfax</td>
<td>GF</td>
<td>$127.5 - 135M</td>
</tr>
<tr>
<td>Total</td>
<td>NGF</td>
<td>$42.5 - 45M</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$170 - 180M</td>
</tr>
<tr>
<td>Construct Academic VIII/Research IV-STEM (200,000 GSF)</td>
<td>GF</td>
<td>$65 - 75M</td>
</tr>
<tr>
<td>Renovate Planetary (S&amp;T I) Hall (100,000 GSF)</td>
<td>GF</td>
<td>$90 - 100M</td>
</tr>
<tr>
<td>Renovate and Addition David King Hall</td>
<td>GF</td>
<td>$13.9 - 15M</td>
</tr>
<tr>
<td>(86,000 GSF Reno; 60,000 GSF New)</td>
<td>NGF</td>
<td>$10.1 - 11M</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$24 - 26M</td>
</tr>
<tr>
<td>Improve Telecom/Network Infrastructure – Phase II</td>
<td>GF</td>
<td>$10.1 - 11.65M</td>
</tr>
<tr>
<td>Total</td>
<td>NGF</td>
<td>$8.9 - 10.35M</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$19 - 22M</td>
</tr>
<tr>
<td>Improve Telecom/Network Infrastructure – Phase III</td>
<td>GF</td>
<td>$50 - 55M</td>
</tr>
<tr>
<td>Renovate Fenwick Learning Commons Phase 2</td>
<td>GF</td>
<td>$45 - 50M</td>
</tr>
<tr>
<td>(90,000 GSF Reno; 35,000 GSF New)</td>
<td>NGF</td>
<td></td>
</tr>
<tr>
<td>Renovate Enterprise Hall (100,000 GSF)</td>
<td>NGF</td>
<td></td>
</tr>
</tbody>
</table>
Six Year Capital Plan: 2018 – 2024

<table>
<thead>
<tr>
<th>Proposed Projects for BOV Approval only under Higher Education Capital Outlay (HECO)</th>
</tr>
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<tbody>
<tr>
<td>New Business School Building (100,000 GSF)</td>
</tr>
<tr>
<td>Renovations to Center for the Arts Concert Hall</td>
</tr>
<tr>
<td>Surface Parking Lot Expansion (Approximately 400 Spaces)</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Pending Future Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Campus</td>
</tr>
<tr>
<td>Arlington Campus</td>
</tr>
</tbody>
</table>
George Mason Strategic Plan

- 100,000 Graduates by 2024
  - 7,000 New Students
  - 5,300 on Ground

- R1 Level of Excellence
  - Sustain Research Growth
  - Stable Rating Agency Outlook

- Maximize Use of Existing Assets
  - Fairfax Campus
  - SciTech & Arlington Campuses
  - Regional Locations

- Financial Plan $1.0B - $1.5B
  - Moderate Tuition Increase
  - Close the Credit Window

FY 2018
Base Year

FY 2024
6 Years of Growth

Facilities

Students, Faculty & Staff

Enrollment
Tuition and Fees – Proposed Course of Action

**Credit Window 16**
Action: Remove credit hour 16 from the tuition window before Fall 2019, while alleviating adverse effects for at-risk students and credit-hour intensive majors

**Fee Simplification 1.0**
Action: Streamline course fees to increase transparency and limit strains on Banner, student accounts, budget office and Fee Advisory Committee.

**Next Steps**
- Discuss tuition pricing strategy for FY 2019
- Determine which fee pricing strategy to pursue
- Develop implementation timeline and roadmap for FY 2020 and beyond
- Meet with Deans & Assistant Deans on tuition pricing strategy
- Present to BOV with final tuition and fee recommendations
If you want to go fast, go alone.
If you want to go far, go together.

-unknown