MASON MOMENTUM

Fall Update on the Budget, Financial Framework and Key University Initiatives

SVP Carol Dillon Kissal | Provost S. David Wu | September 11, 2019
Welcome to Mason!

Anne Holton, Interim President
KEY UNIVERSITY INITIATIVES

Access to Excellence
- Improve Processes – Student Experience Redesign
- Expand Access: ADVANCE PROGRAM

Thriving Together
- Compensation increases for Faculty & Staff
- Building for the Future – Core Campus

Talent Ecosystem
- Launch multidisciplinary curricular innovations
- Meet targets for the Tech Talent Investment Program

Innovation Engine
- Arlington Innovation District
- Secure external support for the Institute for a Sustainable Earth and the Institute for Digital Innovation

Institutional Effectiveness
- Improved Processes and Increased Transparency
- Performance Management Process
Access to Excellence

Provide **affordable access** for all students

Grow **enrollment and degree production**

Expand **online** program enrollment

Create **accessible pathways** for diverse populations
Access to Excellence Strategy

Community College Partnerships

Expand Online Programs

Build Virtual Campus
Mason’s ADVANCE partnership with Northern Virginia Community College (NOVA) will also play a role in developing the talent pipeline, collaborating with Northern Virginia employers to adapt and create high-demand programs to fulfill critical workforce needs, much like Mason’s with Amazon.
Student Success Strategies

Strengthen **inquiry-based, experiential learning** through **Mason Impact**

Increase **academic success**, enhance **retention** and **strengthen graduation rates** through **Student Experience Redesign**
Enhancing the Mason Student Experience

Student Experience Redesign

- Inclusive, Thriving Communities
- Robust, Scalable Student Care Network
- Mason Impact
- Great Lives, Great Careers
Fostering faculty excellence, scholarship and diversity

- Increase full-time faculty lines to meet enrollment needs and maximize research impact
- Increase faculty and staff compensation competitiveness
- Manage increasing competition for faculty talent with strategic retention resources
- Optimize organizational design and decision processes to support academic excellence
Innovation Engine

Sustain R1 research growth through strategic investments in faculty, research support, and infrastructure

Strengthen research impact via multidisciplinary institutes
- Institute for Biohealth Innovation (IBI)
- Institute for a Sustainable Earth (ISE)
- Institute for Digital InnovAtion (IDIA)

Grow Tech Talent Degrees to meet the demands of our students, business community and the Commonwealth
Innovation Engine

Recruit Faculty Innovators

Promote Translation & Commercialization

Develop Innovation Workforce

Grow Research Infrastructure

Bioengineering Eminent Scholar Recruit

Mason Institute for Biohealth Innovation (IBI)
Mason Institute for a Sustainable Earth (ISE)
Mason Institute for Digital Innovation (IDIA)

3T Magnetic Resonance Imaging (MRI) System

Innovation Engine
Mason Tech Talent Initiative

TTI Bachelors Enrollment (HC)

BS, Computer Science +
BS, Computer Engineering

Establish 1st School of Computing in Virginia

Scale Online Learning

Create Innovation District at Virginia Square
New Leadership
- VP Human Resources & Payroll
- VP Finance
- AVP Strategic Planning and Budgeting
- AVP Business Services
- Director of Strategic Real Estate Initiatives
- Special Assistant for IT
- Operations Manager

Strategic Planning Framework
- Financial Health - Exceeding Financial Targets
- New Planning & Budget Process
- Enterprise Technology Assessment

Transformation
- Alignment of Department Goals with University Goals
- Value Mapping
- Service Delivery Model
- New Practice: Business Process Improvement
Arlington Innovation District
CORE CAMPUS CONSTRUCTION PROGRESS IN 2019!
# Six-Year Capital Plan: 2020-2026

<table>
<thead>
<tr>
<th>PROPOSED PROJECTS FOR SUBMISSION TO DPB FOR LEGISLATIVE CONSIDERATION</th>
<th>GF</th>
<th>NGF</th>
<th>PPEA</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>IDIA Institute for Digital Innovation Building &amp; Garage (400,000 GSF) (PPEA)</td>
<td>$84M</td>
<td>$84M</td>
<td>$82M</td>
<td>$250M</td>
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<tr>
<td>Construct Academic VIII-STEM (200,000 GSF)</td>
<td>GF</td>
<td>$186M</td>
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<tr>
<td>Improve Telecom/Network Infrastructure – Phase II</td>
<td>GF</td>
<td>$25M</td>
<td>NGF</td>
<td>$20M</td>
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<tr>
<td>Virtual Online Campus</td>
<td>GF</td>
<td>$11M</td>
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<td></td>
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<tr>
<td>Renovate Planetary (S&amp;T I) Hall (100,000 GSF)</td>
<td>GF</td>
<td>$75M</td>
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<tr>
<td>Renovate and Addition David King Hall (86,000 GSF, Reno: 60,000 GSF New)</td>
<td>GF</td>
<td>$94M</td>
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<td>Renovate Fenwick Learning Commons Phase 2 (90,000 GSF Reno; 35,000 GSF New)</td>
<td>GF</td>
<td>$57M</td>
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<td>Central Plant Capacity Expansion</td>
<td>GF</td>
<td>$5M</td>
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<td>Renovate Enterprise Hall (Reno: 100,000 GSF)</td>
<td>GF</td>
<td>$53M</td>
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<tr>
<td>PPEA Authority West Campus</td>
<td>NA</td>
<td>NA</td>
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</table>

| PROPOSED PROJECTS FOR BOV APPROVAL ONLY UNDER HECO |
| New Business School Building (200,000 GSF) | NGF | $165M |
| Activities Building (15,000 GSF) | NGF | $3.75M |

| PREVIOUS BOARD APPROVED PROJECTS UNDER HECO |
| Renovations to Center for the Arts Concert Hall | NGF | $25M |

| FF&E DPB SUBMISSION FOR APPROVED PROJECTS |
| Robinson Hall | GF | $11.32M |
| Telecom/Network Infrastructure – Phase I | GF | $1.25M |

| Total Six-Year Capital Plan |
| General Fund | $602.57M |
| Non-general Fund | $297.75M |
| PPEA | $82M |
The Virginia Plan for Higher Education

**Goals**

- **Affordable Access:** Provide affordable access for all
- **Student Success:** Optimize student success for work and life
- **Innovation & Investment:** Drive change & improvement through innovation & investment
- **Prosperity:** Advance economic & cultural prosperity of the Commonwealth & its regions

**Mason Six-Year Operating Plan**

- **Priority #1:** Increase student financial aid
- **Priority #2:** Support salary compensation increases
- **Priority #3:** Support in-state enrollment growth
- **Priority #4:** Support R-1 research infrastructure

Our Six-Year Operating Plan Aligns with Goals of Virginia Plan
## Mason Six-Year Academic Plan

<table>
<thead>
<tr>
<th>Mason Priority</th>
<th>Mason Strategies</th>
<th>Mason FY 2021</th>
<th>General Fund FY 2021</th>
<th>Mason FY 2022</th>
<th>General Fund FY 2022</th>
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<tbody>
<tr>
<td>1</td>
<td>1. Provide Affordable Access for All Students</td>
<td>$5.0M</td>
<td>$5.0M</td>
<td>$6.5M</td>
<td>$6.5M</td>
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<td>2</td>
<td>8. Support Salary Compensation Increases</td>
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<td>3</td>
<td>2. Enrollment Growth &amp; Degree Awards</td>
<td>$10.0M</td>
<td>$10.0M</td>
<td>$12.0M</td>
<td>$12.0M</td>
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<tr>
<td>4</td>
<td>11. Elevate Research</td>
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<td>$3.5M</td>
<td>--</td>
<td>$3.5M</td>
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<tr>
<td>5</td>
<td>7. Support New Faculty Hires</td>
<td>$5.0M</td>
<td>$5.0M</td>
<td>$6.25M</td>
<td>$6.25M</td>
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<tr>
<td>6</td>
<td>9. Support Emergency Retention Funding</td>
<td>$1.0M</td>
<td>$1.0M</td>
<td>$1.5M</td>
<td>$1.5M</td>
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<tr>
<td>7</td>
<td>3. Student Success Initiatives</td>
<td>$0.5M</td>
<td>$0.5M</td>
<td>$0.6M</td>
<td>$0.6M</td>
</tr>
<tr>
<td>8</td>
<td>6. Accessible Pathways</td>
<td>$0.6M</td>
<td>$0.6M</td>
<td>$0.6M</td>
<td>$0.6M</td>
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<tr>
<td>9</td>
<td>4. New &amp; Enhanced Programs</td>
<td>$1.0M</td>
<td>$1.0M</td>
<td>$1.2M</td>
<td>$1.2M</td>
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<tr>
<td>10</td>
<td>12. Research of Consequence</td>
<td>--</td>
<td>$4.0M</td>
<td>--</td>
<td>$4.0M</td>
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<tr>
<td>11</td>
<td>5. Online Degrees</td>
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<td>$0.5M</td>
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<td>$0.75M</td>
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<tr>
<td>12</td>
<td>10. Effectiveness &amp; Efficiency</td>
<td>$1.0M</td>
<td>--</td>
<td>$1.0M</td>
<td>--</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$32.6M</strong></td>
<td><strong>$39.6M</strong></td>
<td><strong>$38.55M</strong></td>
<td><strong>$45.8M</strong></td>
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Current year submission for Two-Year Biennium, FY 2021 – FY 2022
Mason’s Financial Planning will Address Critical Questions
A renewed dedication to Transparency, Accountability & Responsiveness will transform how we engage with our university partners in support of the University’s strategic academic, research and outreach mission.

~Core Values~
Operational Excellence
Integrated Planning & Budgeting
Financial Sustainability

~Strategic Objectives~
To support the University’s vision and mission that simultaneously sustains established priorities with a dynamic and nimble response to strategic opportunities;

To ensure that all systems, policies and practices align to optimize resources in support of university priorities.
Mason Recently Completed a Review of Budget Practices

**Budget Focus Areas:** The engagement identified five key focus areas related to the budget and planning process at George Mason that incorporate people, processes, and technology.

- **I. Organizational Structure**
- **II. Inclusivity and Accountability**
- **III. Reporting and Transparency**
- **IV. Integrated Budget Process**
- **V. Budget Tool - Requirements**

As George Mason initiates changes for integrated budgeting and planning, the implementation roadmap will address each of the identified focus areas.
Financial Framework Provides The Bridge From Strategic Plan To Operating Budget

**Strategic Plan-Based Key Initiatives**

**Entity/Unit Level/Other Group Planning with Specific Initiatives**

**High-level business planning, or quantification of the Strategic Plan through identified initiatives, is the critical link to the Financial Plan**

**Ad hoc Planning**

**Enterprise Risk Management incorporated into business planning and existing operations.**

**Financial Plan**

**High-level business planning with operating and capital requirements**

**Existing operations**

**Resources available**
New Financial Framework

*Operating targets establish performance levels necessary to achieve or maintain credit quality while generating cash for GMU’s strategies*

*These targets provide a framework for evaluating plan projections, options to resolve any cash flow gap, and related sensitivity analyses*

<table>
<thead>
<tr>
<th>RATIO</th>
<th>Moody’s*</th>
<th>MASON</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aa3</td>
<td>Aa2</td>
</tr>
<tr>
<td>Operating Cash Flow Margin</td>
<td>10.3%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>2.1%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Debt Service to Operations</td>
<td>4.4%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Spendable Cash &amp; Invest / Operations</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Average Annual Debt Service Coverage</td>
<td>2.7</td>
<td>2.9</td>
</tr>
<tr>
<td>Spendable Cash &amp; Invest / Debt</td>
<td>1.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Total Debt to Cash Flow</td>
<td>5.1</td>
<td>4.7</td>
</tr>
</tbody>
</table>

*Medians for peers and Moody’s are based on FY18 audited financial statements.*
SVP OPERATIONS

Human Resources & Payroll
Information Technology Services
Strategic Planning & Budgeting
Fiscal Services
Facilities and Campuses

Business Services
University Police
Strategic Real Estate
Safety, Emergency & ERM
Capitol Connection
Value Map & Benefits

- Understand the benefits your department provides to customers.
- Focus on Benefits not Attributes, i.e.: “Customer will gain THIS BENEFIT because of our ATTRIBUTES.”

Priorities

1 to 3-Year Strategies & Priorities

Goals

1-3 Strategic Goals for Priority #1

1-3 Strategic Goals for Priority #2

1-3 Strategic Goals for Priority #3

Initiatives

Initiatives (1-3) related to each Goal

Review

Strategic Plan Evaluated Periodically to Ensure Continued Relevance To University, Finance, and Customers

• Measures, goals, priorities, and activities are aligned with priorities (at all levels) and desired results.
• Success measures and related operational decisions and processes are driven by timely, accurate, and meaningful data.
• Overarching Vision for ITS
• Quality Management System
• Additional Resources
• Process Documentation and Automation
“As the needs of the university continue to change and grow in complexity, I recognize it is imperative that HR & Payroll be equipped to provide a higher standard of service, be more responsive to customer needs, and operate with greater agility.”

Lester L. Arnold, Sr., SPHR-SCP, SPHR
CHRO | Vice President for Human Resources and Payroll
**vendor prototype using generic data**
**vendor prototype using generic data**
INCREASING EFFICIENCIES & EFFECTIVENESS

Partner with colleges, units and leadership
Achieve goals
Increase efficiency
Drive new initiatives
Thoughtful problem solving
Design solutions and assist with implementation

University Business Consulting
A small management consulting-style team serving the Mason Community

Business Practice Improvement (BPI)
THANK YOU!

Q&A