



BOARD OF VISITORS

Finance & Land Use Committee

Office of the EVP for Finance & Administration | December 5, 2024

Agenda

Overview & Actions

- A. Financial Update
- B. FY 2026 Draft Budget Assumptions
- C. Committee Vote

Committee Materials

A. Financial Matters

- i. Commonwealth Report Highlights
- ii. FY 2024 Unaudited Financial Statements
- iii. FY 2025 Q1 Financial Report
- iv. FY 2026 Budget Process Overview

B. Operational Matters

- i. Workforce Planning Update
- ii. Retirement Plan Investment Policy Update

C. Capital Matters

- i. Capital Project Funding Update
- ii. Schematic Design for the Basketball & Academic Performance Center (ACTION)



A. Financial Update

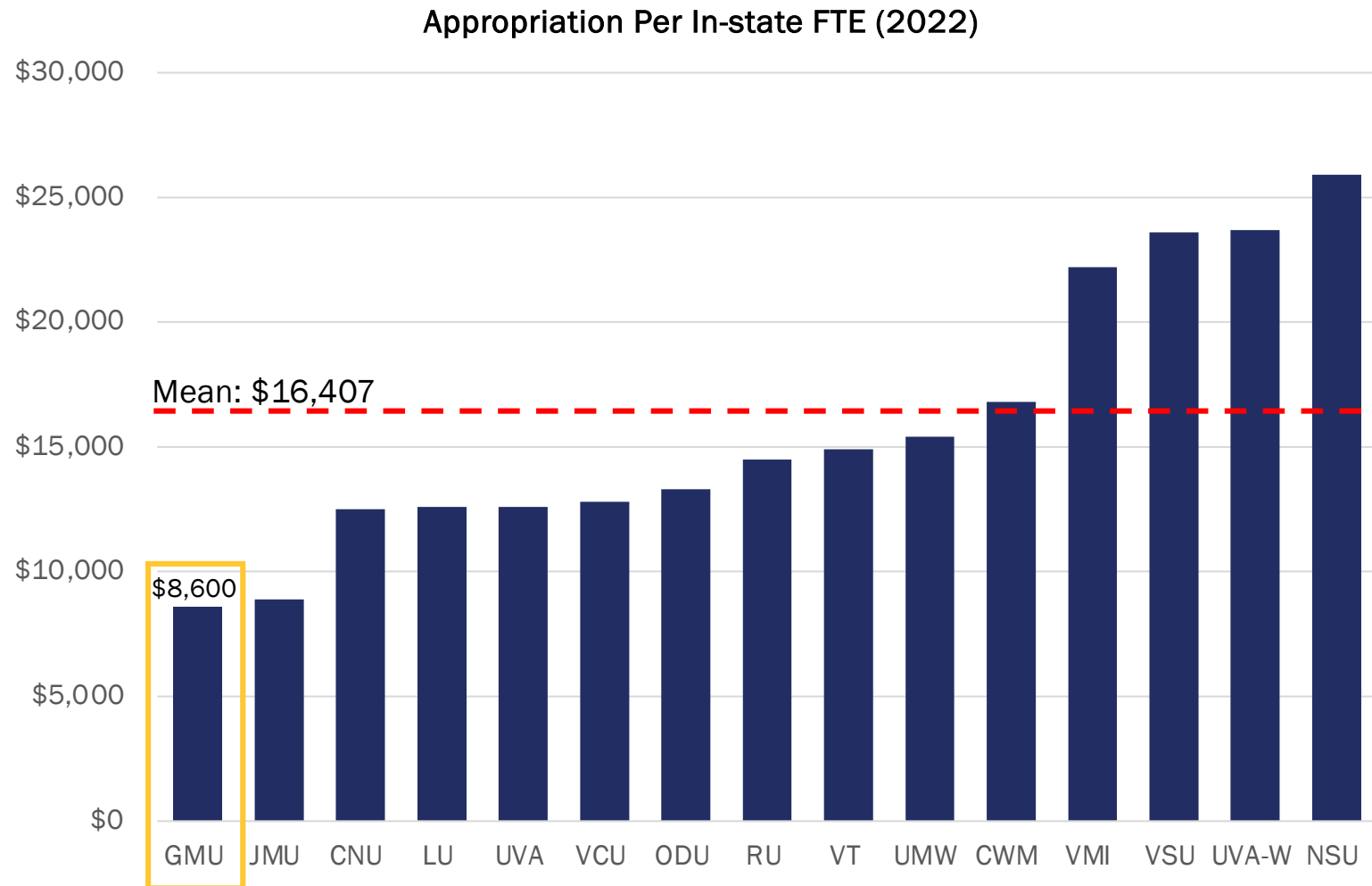
Commonwealth Studies Show Funding Inequity

Recent Commonwealth reports confirm George Mason's continued funding inequity:

- Resources and Planning Committee Agenda Book (SCHEV)
- University Fact Packs (SCHEV)
- Higher Education Institutional Viability (JLARC)
- Higher Education Spending, Staffing, and Student Costs (JLARC)
- Tier 3 Management Agreement Compliance Review (JLARC)

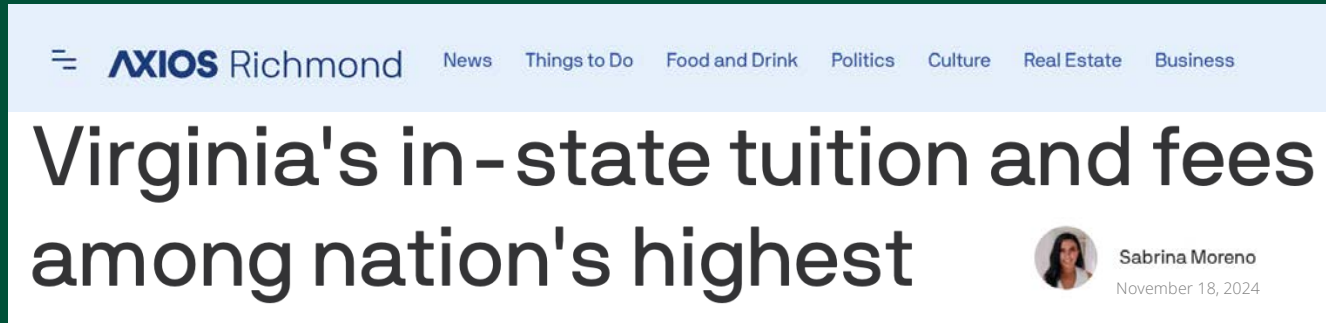
Despite this longstanding underfunding, George Mason continues to perform above and beyond peer universities.

Appropriations Per In-state Student FTE



- George Mason received the lowest appropriations per in-state student FTE of all public institutions of higher education in the Commonwealth
- George Mason receives \$7,807 less than the average appropriation of other Virginia publics per FTE

George Mason Maintains Affordability



George Mason has the second lowest in-state undergraduate FY25 tuition & fees of our large doctoral peers

W&M, UVA, VCU, VT, ODU

By the numbers: In-state tuition and fees at a public Virginia university will cost, on average, \$15,660 in the 2024-25 school year, the College Board found.

- That's a 7% drop from 2019-20 when accounting for inflation, but the national average is \$11,610. Only nine other states have a more expensive price tag.

- Virginians also have the [fourth-highest amount of student loan debt](#) per borrower in the country.

What we're watching: The adopted [2024-26 state budget](#) includes \$205.4 million to "increase access, affordability and degree production" at Virginia's public universities.

George Mason's students graduate with the 4th lowest amount of debt for all four-year Virginia publics

JLARC

George Mason received the lowest appropriations per student of all four-year Virginia publics

JLARC in-state undergraduate

Funding Performance

Enrollment	Graduates	Retention Rates	Affordability	Cost Reductions
40,455 in 2024 Largest in Virginia	90,459 in past decade Most in Virginia	Above many peers despite higher acceptance rate	Increased financial aid for reduced net price	Second largest reduction in per student costs

Strong Performance

Inequitable Funding

Appropriations	Equipment Trust	Endowment	Maintenance	Tuition Revenue
Lowest per student appropriations	Equipment Trust Funding lags behind peers	Lowest per student endowment	Low Maintenance Reserve funding	Limiting increases to maintain affordability



B. FY 2026 Draft Budget Assumptions

DRAFT FY 2026 Budget Planning Scenarios

E&G Operating

Summary:

- FY26 Planning Assumptions reflect a negative incremental impact ranging from \$11M - \$22M as required expense increases continue to outpace revenue.
- Supplemental State request totaling \$18M will be needed to address Mason's market compensation.

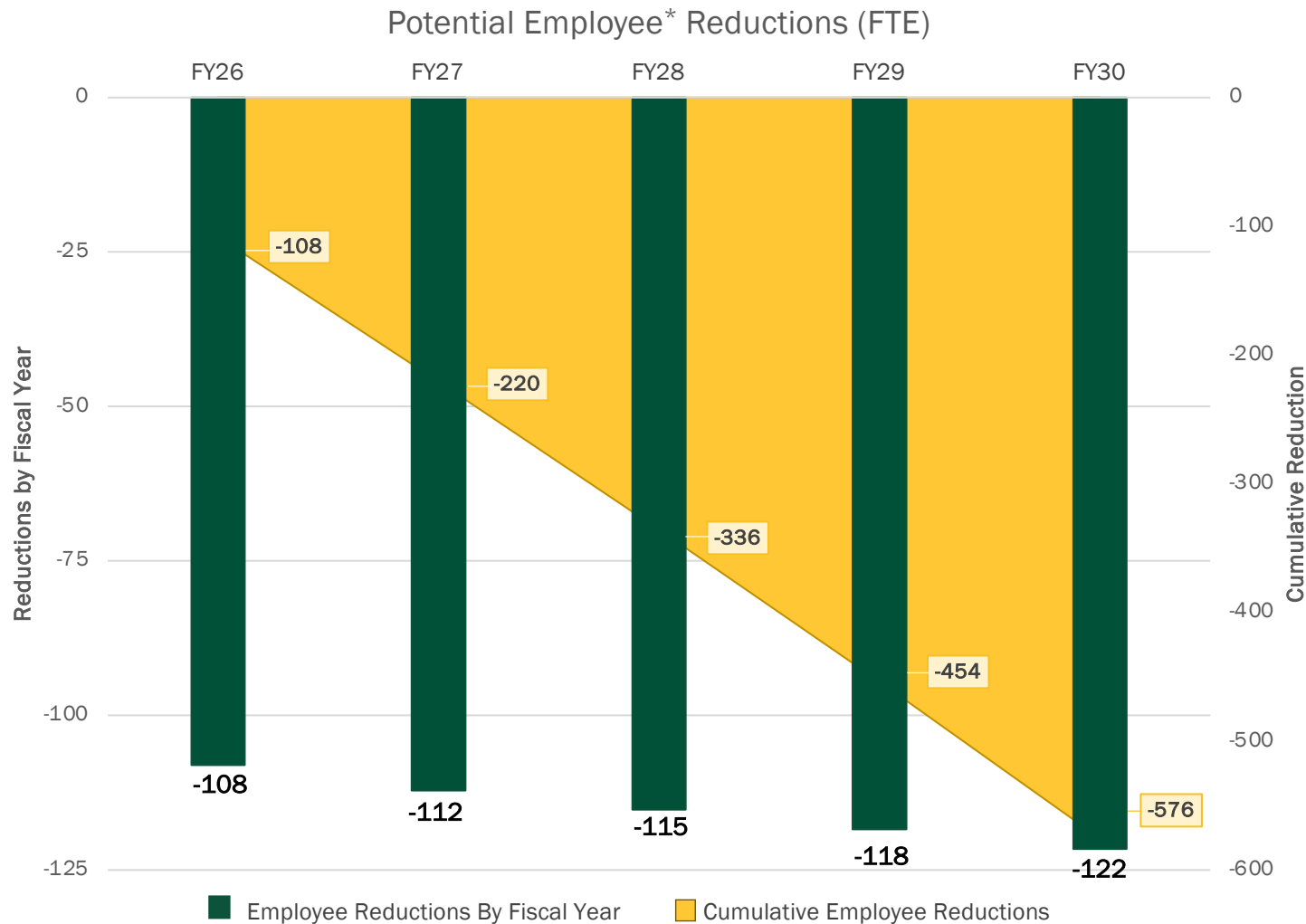
Highlights:

- All scenarios reflect heavy reliance on the Supplemental State request of \$18M to offset an E&G budget shortfall.
- VMSDEP, a rewarding program for Veterans, continues to grow warranting additional State support.
- Financial Aid is increasing by \$5M and shown as an offset to tuition revenue.
- FUSE and LSEB operating expenses totaling \$3M.
- Contract Escalations are included for inflationary increases in Facilities, Information Technology, and other operating costs.

FY 2026 Planning Assumptions				
	Scenario #1	Scenario #2	Scenario #3	Scenario #4
Enrollment - Volume	1.5%	1.5%	0%	0%
Tuition Rate	3%	0%	3%	0%
VMSDEP Participation Growth	30%	30%	30%	30%
New Facilities Operating (FUSE & LSEB)	3	3	3	3
State Appropriations (salary cost-share)	10	10	10	10
3% Salary Increases	20	20	20	20

FY 2026 Budget Planning Scenarios				
Cash basis, in \$M's	Scenario #1	Scenario #2	Scenario #3	Scenario #4
Sources				
Tuition Revenue (volume/tuition rate incrs)	16	5	11	-
Foregone revenue: VMSDEP Incremental Exemptions	(4)	(4)	(4)	(4)
Financial Aid (1/3 of tuition rate incr)	(5)	-	(5)	-
State's Salary Cost Share	10	10	10	10
Total Sources	17	11	12	6
Uses				
Compensation (3% increase and P&T)	21	21	21	21
Direct Expenses (2% escalation)	7	7	7	7
Total Uses	28	28	28	28
Incremental Impact	(11)	(17)	(16)	(22)
<i>Additional State Funding Request</i>	<i>18</i>	<i>18</i>	<i>18</i>	<i>18</i>
<i>Funding Available to Address Market Compensation</i>	<i>7</i>	<i>1</i>	<i>2</i>	<i>(4)</i>

Impact of Flat Tuition and Enrollment (Scenario #4)



If Tuition and Enrollment are held flat, as in Scenario #4, it may be necessary to fill the resultant gap through workforce reductions.

- Flat tuition and enrollment could require employee reductions totaling 576 over five years

A reduced workforce would result in diminished operational capacity for student services and support, which could depress enrollment, resulting in the need for further employee reductions.

- With a 1% decline in enrollment, reductions could increase by 215 employees, totaling 791 over five years**

George Mason already has a much lower employee to student ratio than most of our peers

* Based on an average full-time compensation of \$120K, including benefits. Assumes no tuition rate or enrollment increases; 3% salary increase and State appropriation salary cost-share.

** Includes previous assumptions with a 1% enrollment decrease.



C. Committee Vote

Committee Vote:

Motion: To approve the Schematic Design for the Basketball & Academic Performance Center, as outlined in the meeting materials:

Committee Materials



Commonwealth Report Highlights

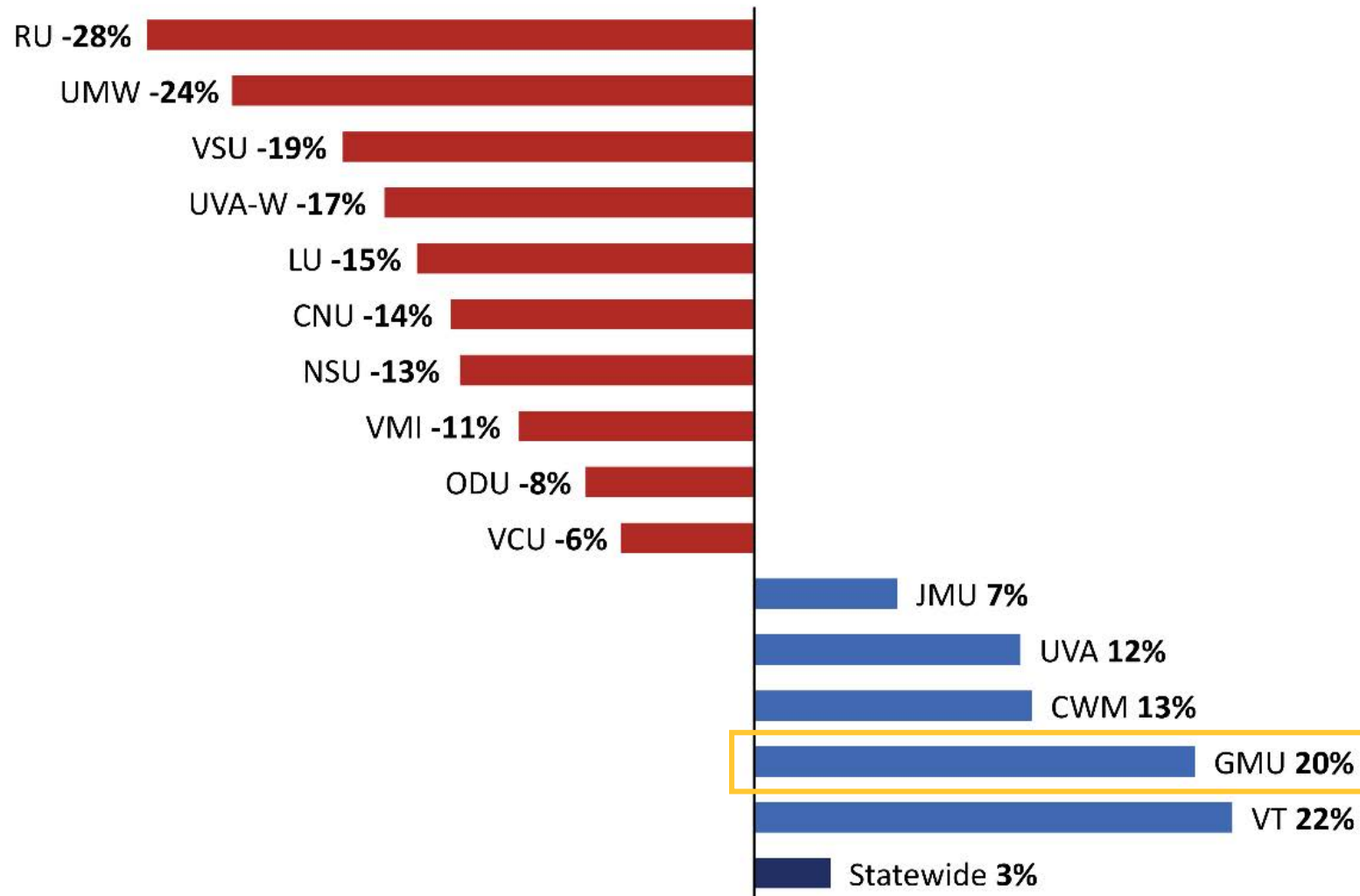
Financial Matters

Commonwealth Report Highlights

Recent Commonwealth reports confirm George Mason's continued strong performance coupled with ongoing funding inequity:

- Resources and Planning Committee Agenda Book (SCHEV)
- University Fact Packs (SCHEV)
- Higher Education Institutional Viability (JLARC)
- Higher Education Spending, Staffing, and Student Costs (JLARC)
- Tier 3 Management Agreement Compliance Review (JLARC)

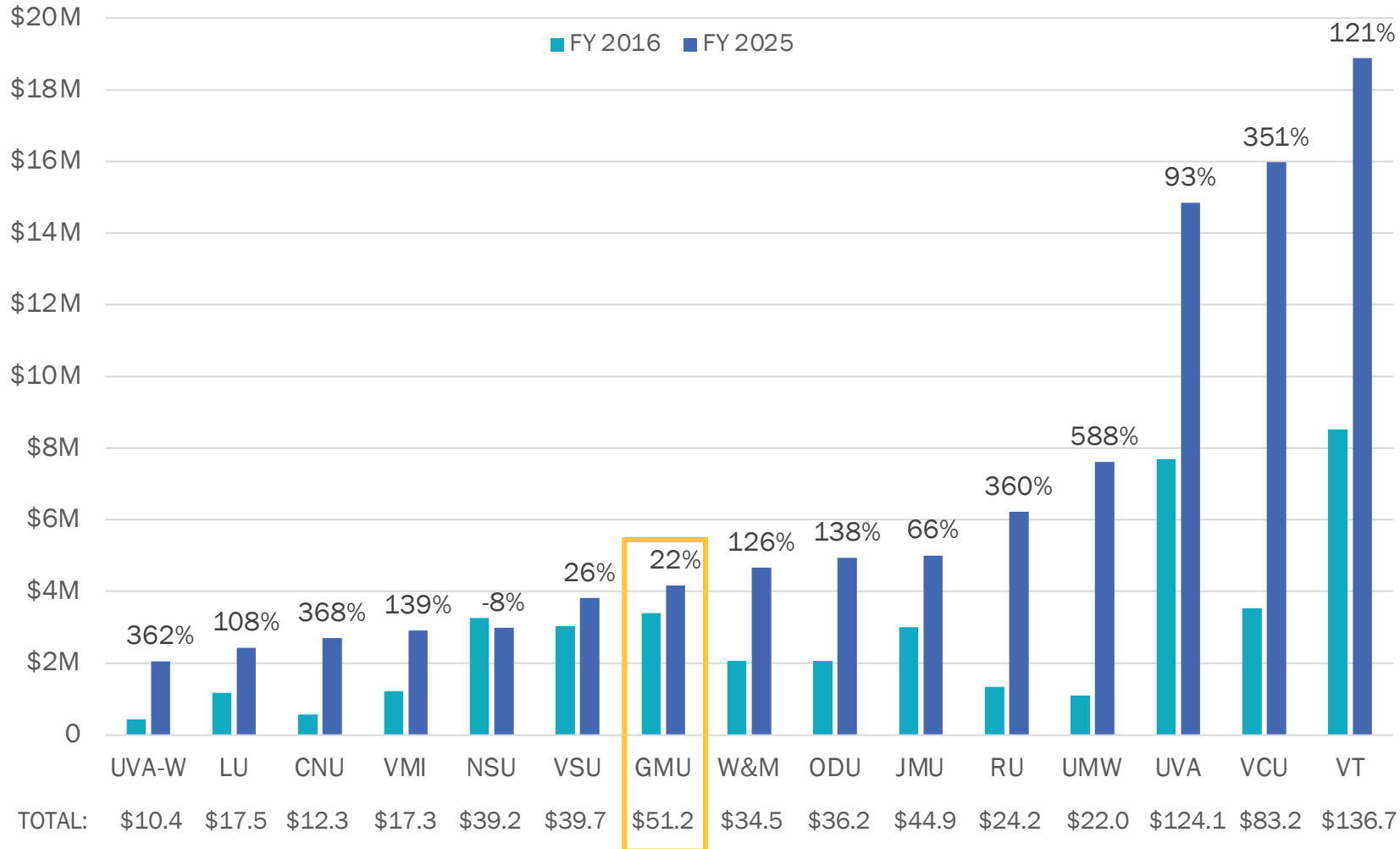
Enrollment Growth Over Past Decade



- George Mason was one of five schools with positive enrollment growth
- George Mason has the second highest percentage enrollment growth over the past decade of all public institutions of higher education in the Commonwealth

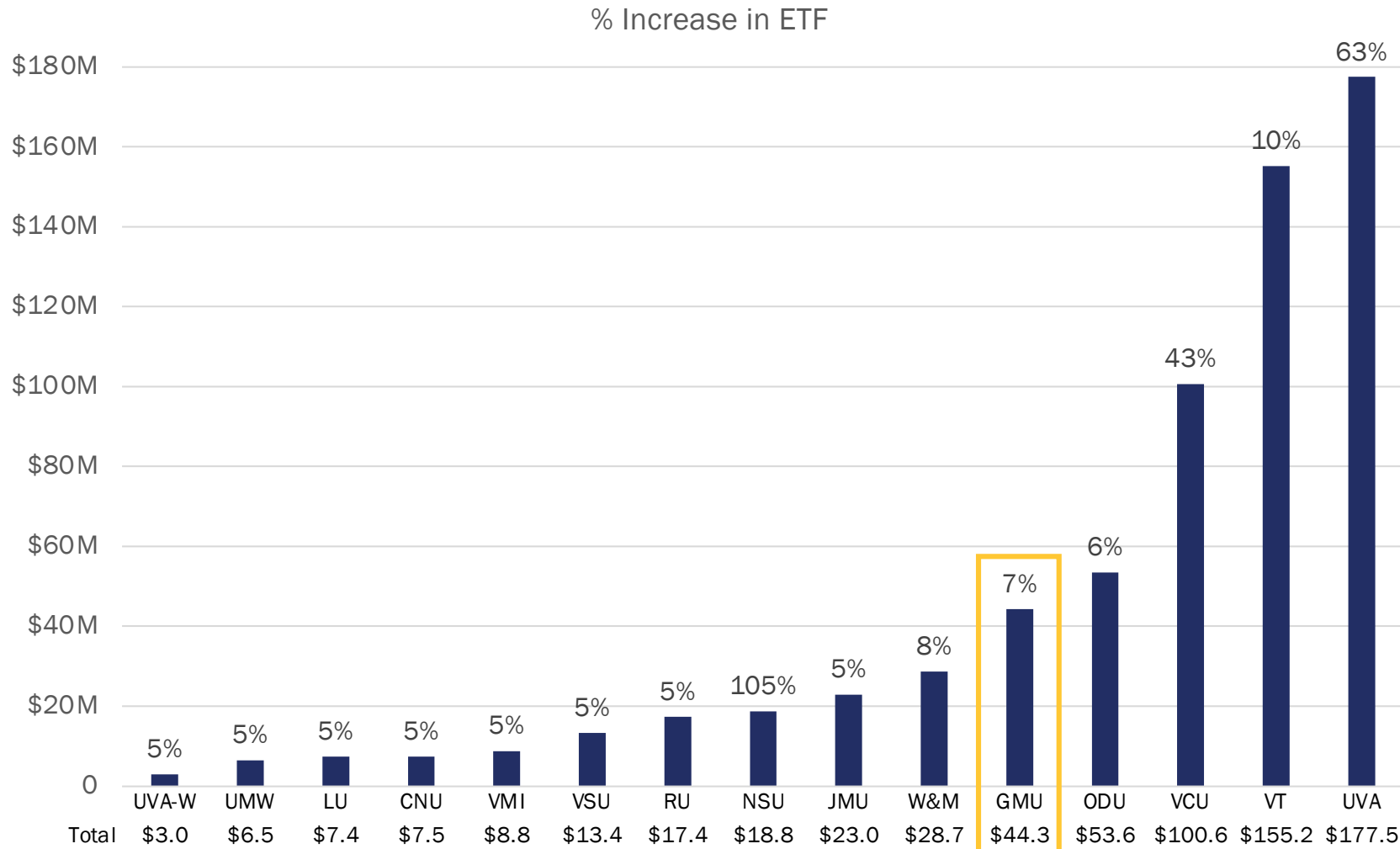
Increase in Commonwealth Maintenance Reserve Funding

Increase in MR Allocation (FY16-FY25)



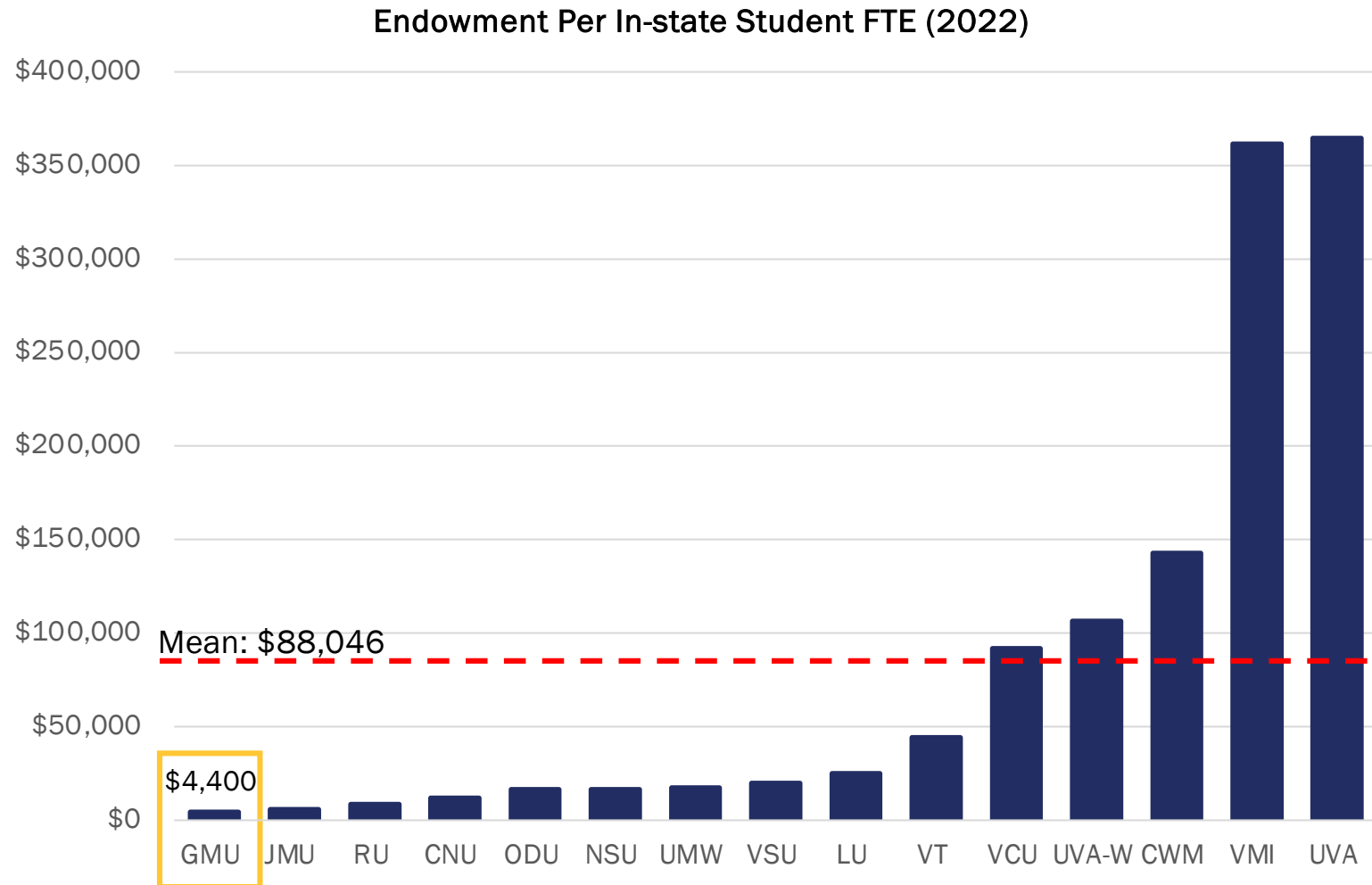
- George Mason's maintenance reserve funding has increased at a significantly lower rate than most universities
- Outstanding Commonwealth request for \$32.7M in additional funding

Total Commonwealth Equipment Trust Funding (ETF) Over Past Decade (FY16 - FY25)



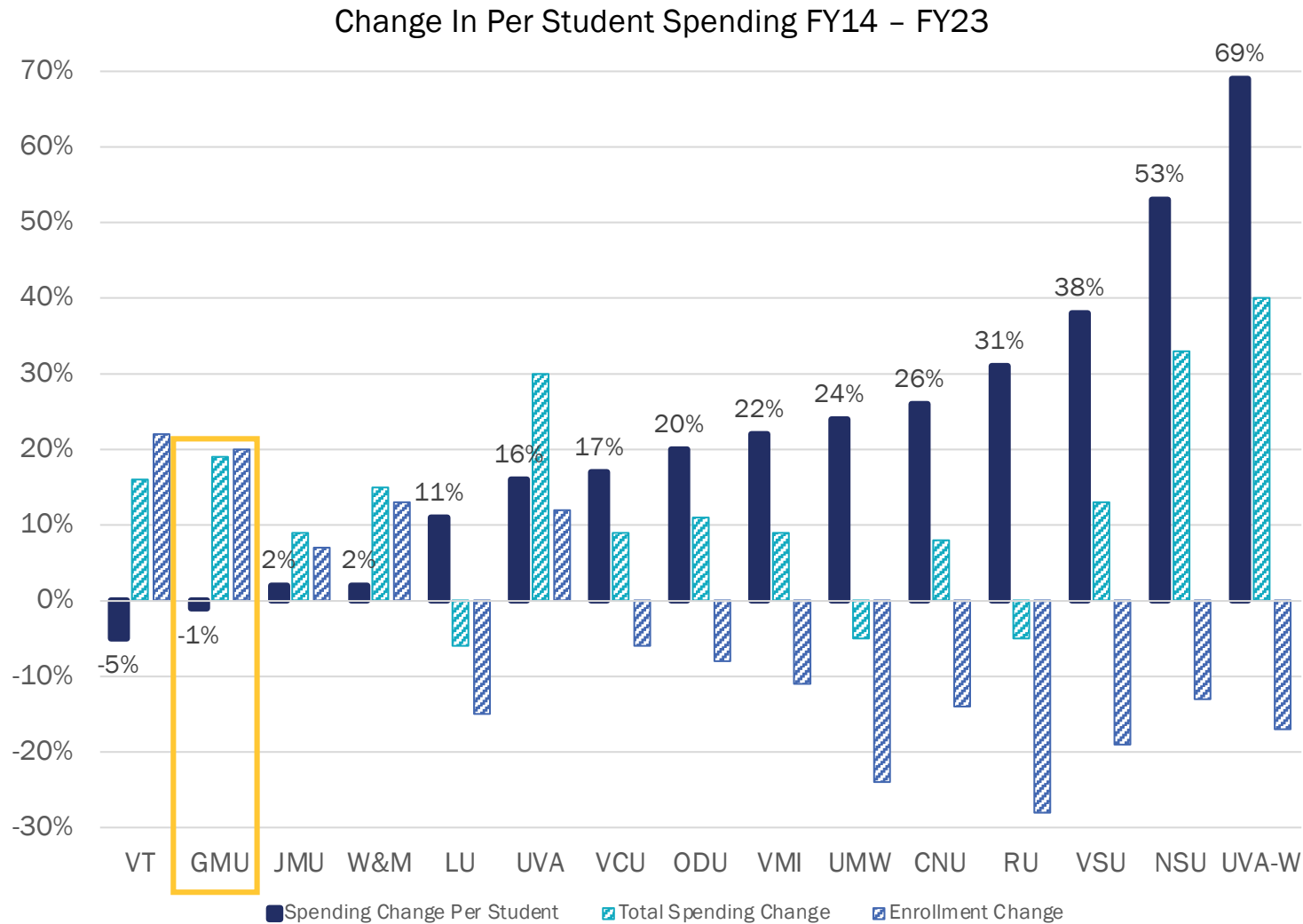
- George Mason's ETF has continued to lag beyond peers
- UVA and VT have each received at least \$100M more ETF over the past decade

Endowment Per In-state Student FTE



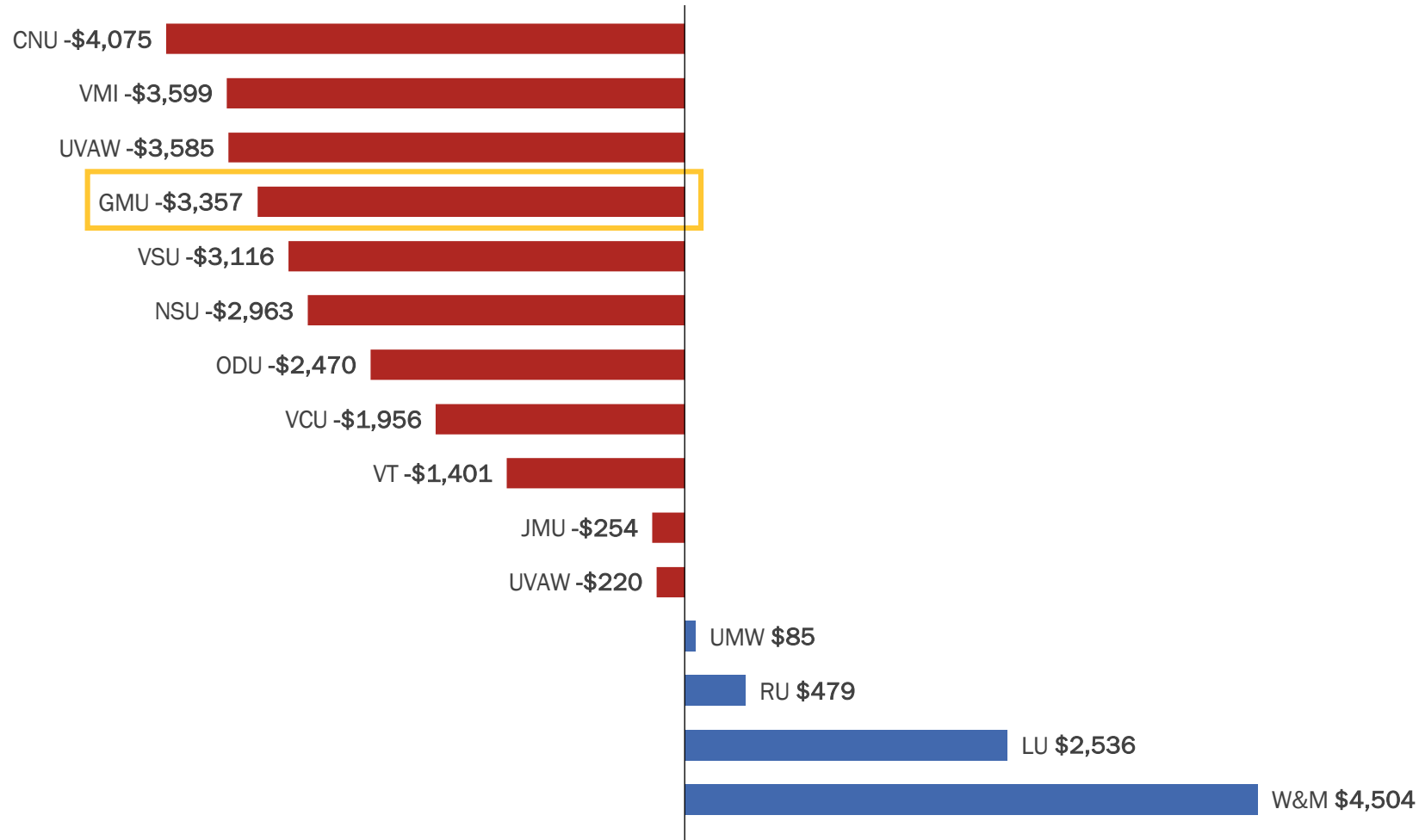
- George Mason’s endowment is the lowest in the Commonwealth
- George Mason’s endowment per FTE is only 1/20th of the average endowment of other public Virginia schools

Changes In Per Student (FTE) Spending Over Past Decade



- George Mason was one of only two universities that reduced per student spending over the past decade
- Universities with enrollment growth generally had lower per student spending growth

Reduction in Net Price Over Past Decade (FY14 – FY25)



- George Mason reduced its Net Price by 15% over the past decade
- Students who receive aid continue to pay considerably less than the published Cost of Attendance

SCHEV Recommends Increased Compensation Funding

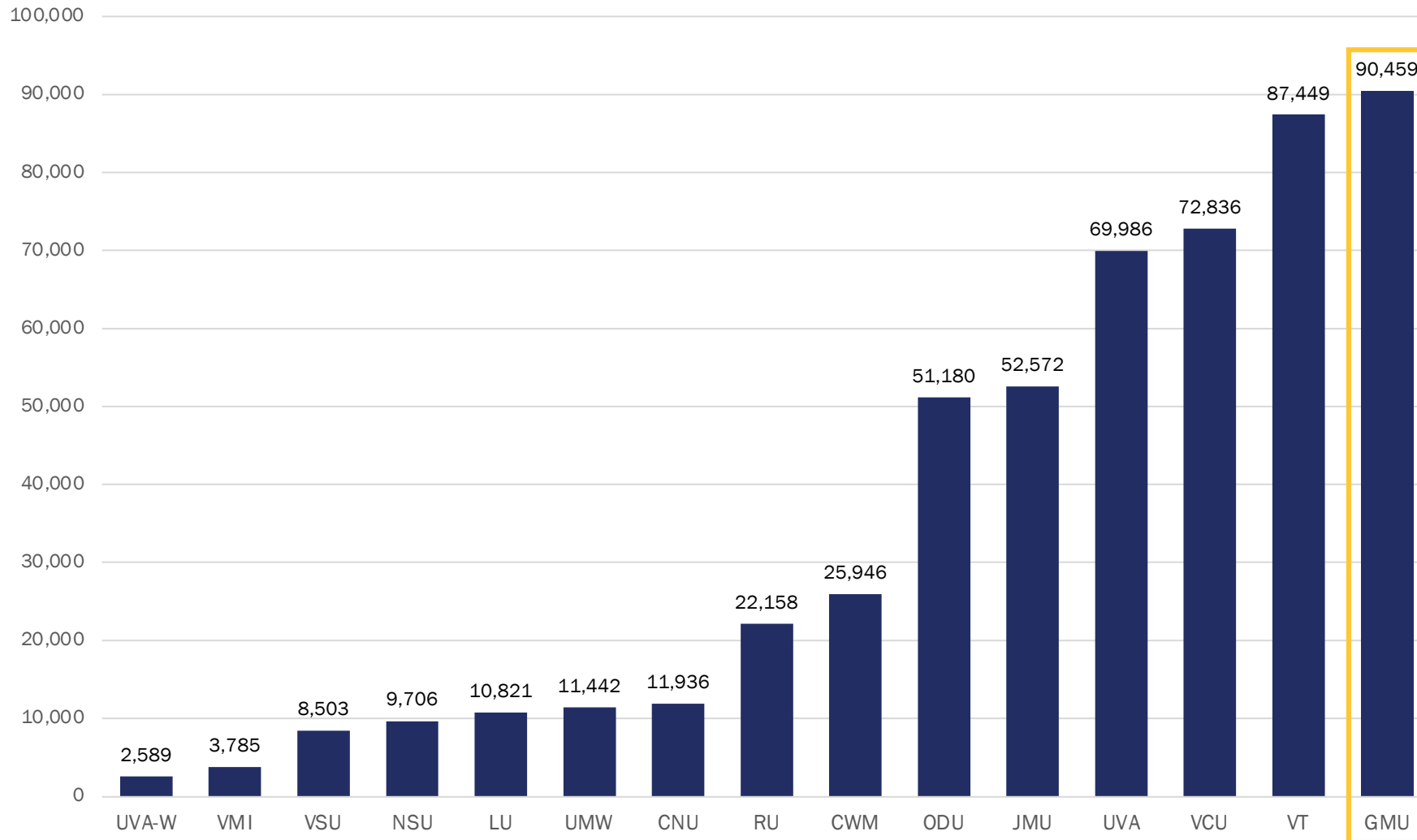
*“In public higher education, the Commonwealth’s policy has been to fund each institution’s average faculty salary at the 60th percentile of its national peers... **One institution, George Mason University, is below the 30th percentile**¹.”*

\$ in 000s	FY 2024	FY 2025					FY 2026				
		Non-Personal Services	Funding Disparities	VMSDEP Waiver	Total	% Increase	Non-Personal Services	Funding Disparities	VMSDEP Waiver	Total	% Increase
CNU	\$46.1	\$346.0		\$1,131.0	\$1.5	3%	\$557.0		\$2,055.0	\$2,612.0	6%
GMU	\$208.4	\$2,151.0	*\$9,268.0	\$4,163.0	\$15.6	7%	\$3,420.0	\$18,536.0	\$7,562.0	\$29,518.0	15%
JMU	\$136.0	\$1,327.0	\$396.5	\$2,040.0	\$3.8	3%	\$2,138.0	\$793.0	\$3,706.0	\$6,637.0	5%
LU	\$41.8	\$211.0		\$751.0	\$1.0	2%	\$347.0		\$1,364.0	\$1,711.0	4%
NSU	\$82.5	\$354.0		\$1,048.0	\$1.4	2%	\$593.0		\$1,905.0	\$2,498.0	3%
ODU	\$177.5	\$1,236.0		\$5,130.0	\$6.4	4%	\$2,075.0		\$9,319.0	\$11,394.0	6%
RU	\$70.3	\$417.0		\$1,018.0	\$1.4	2%	\$676.0		\$1,849.0	\$2,525.0	4%
UMW	\$42.0	\$283.0		\$772.0	\$1.1	3%	\$470.0		\$1,403.0	\$1,873.0	4%
UVA	\$169.6	\$1,898.0		\$2,191.0	\$4.1	2%	\$2,927.0		\$3,981.0	\$6,908.0	4%
UVA-W	\$30.5	\$147.0		\$87.0	\$0.2	1%	\$247.0		\$158.0	\$405.0	1%
VCU	\$250.9	\$2,018.0		\$6,482.0	\$8.5	3%	\$3,260.0		\$11,776.0	\$15,036.0	6%
VMI	\$21.6	\$121.0		\$523.0	\$0.6	3%	\$194.0		\$950.0	\$1,144.0	5%
VSU	\$63.2	\$374.0		\$676.0	\$1.1	2%	\$615.0		\$1,228.0	\$1,843.0	3%
VT	\$220.6	\$2,271.0	\$5,589.5	\$3,493.0	\$11.4	5%	\$3,609.0	\$11,179.0	\$6,345.0	\$21,133.0	10%
W&M	\$66.4	\$630.0		\$1,713.0	\$2.3	4%	\$1,041.0		\$3,112.0	\$4,153.0	6%
RBC	\$13.0	\$108.0		\$100.0	\$0.2	2%	\$182.0		\$181.0	\$363.0	3%
VCCS	\$511.9	\$4,334.0		\$2,022.0	\$6.4	1%	\$7,164.0		\$3,672.0	\$10,836.0	2%
Total	\$2,152.4	\$18.2	\$15.3	\$33.3	\$0.1	3%	\$29.5	\$30.5	\$60.6	\$120.6	6%

**SCHEV’s October 2023 draft report originally recommended \$18.54M for FY25 funding disparity*

¹SCHEV “Resources and Planning Committee Agenda Book” January 9, 2024

Total Degrees Produced Over Past Decade



- Over the past decade, George Mason has granted more degrees than any public institution in the Commonwealth
- George Mason was responsible for 17% of all degrees granted in Virginia

SOURCE: SCHEV Completion Reports, FY14 - FY23; all degrees except associates



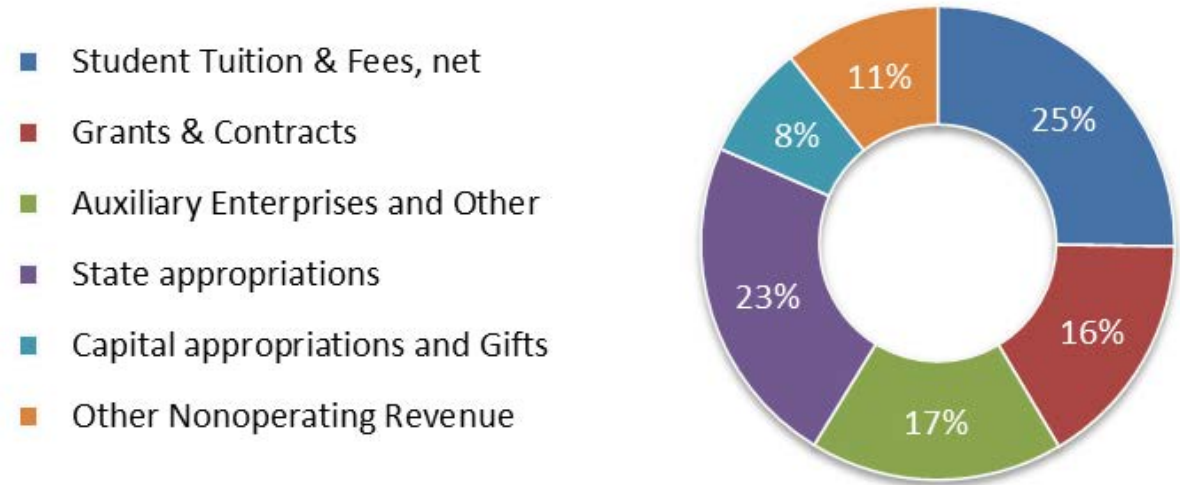
FY 2024 Unaudited Financial Statements

Financial Matters

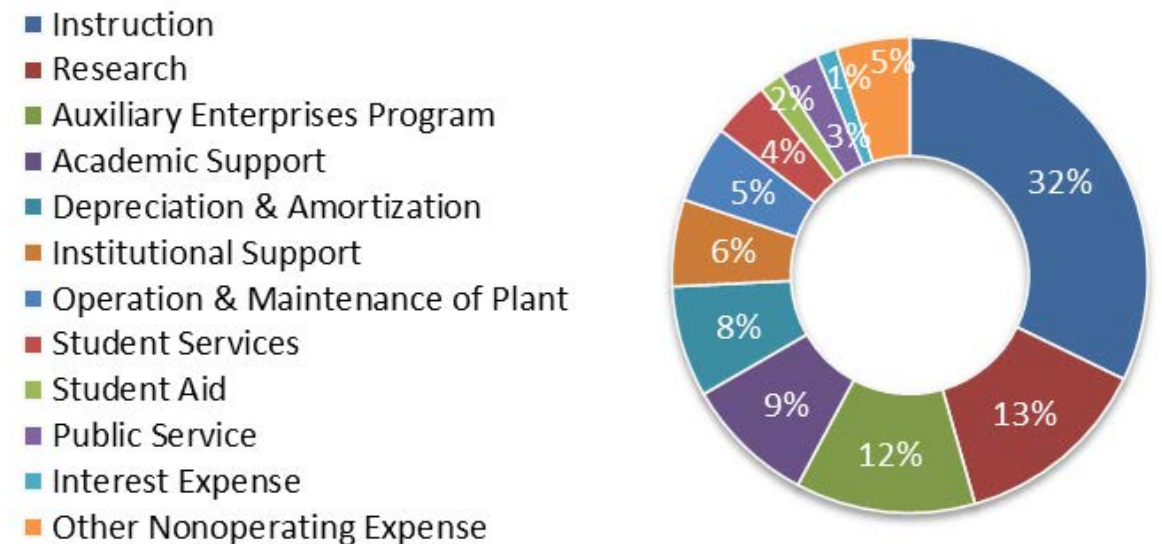
FY2024 Unaudited Financial Statements

- Provided to Auditor of Public Accounts and posted online
<https://fiscal.gmu.edu/generalaccounting/review-financial-statements/>
- APA audit entrance meeting conducted with Audit Risk & Compliance Committee on 11/19/24
- Audited statements expected May 2025
- Significant Transactions:
 - Vernon Smith Hall acquisition
 - \$57.5M gift from GMUF
 - Accounting standard change for capitalization of aggregate assets - \$19M impact to beginning Net Position

FY24 REVENUES \$1,439.8 MILLION



FY24 EXPENSES \$1,314.6 MILLION



George Mason University
 FY 2023 and FY 2024 Revenues & Expenses - Accrual Basis
 (\$ in millions)

	FY 2023 <u>Audited</u>	FY 2024 <u>Unaudited</u>	% <u>Inc/(Decr)</u>
<u>Operating Revenues</u>			
Student Tuition & Fees, net	\$ 360.3	\$ 363.3	0.8%
Grants & Contracts	198.2	233.5	17.8%
Auxiliary Enterprises and Other	218.1	249.0	14.2%
Total Operating Revenues	\$ 776.6	\$ 845.8	8.9%
<u>Nonoperating Revenues</u>			
State appropriations	\$ 269.6	\$ 327.8	21.6%
Capital appropriations & Gifts	93.6	112.3	20.0%
Other Nonoperating Revenue	89.3	153.9	72.3%
Total Revenues	\$ 1,229.1	\$ 1,439.8	17.1%
<u>Operating Expenses</u>			
Education and General	\$ 898.6	\$ 970.7	8.0%
Auxiliary Enterprises	141.1	160.8	14.0%
Depreciation & Amortization	90.4	99.3	9.8%
Total Operating Expenses	\$ 1,130.1	\$ 1,230.8	8.9%
<u>Nonoperating Expenses</u>			
Interest Expense	\$ 20.3	\$ 18.1	(10.8%)
Other Nonoperating Expenses	18.3	65.7	259.0%
Total Expenses	\$ 1,168.7	\$ 1,314.6	12.5%
Increase in Net Position	\$ 60.4	\$ 125.2	107.3%

Source: Audited 2023 and unaudited 2024 Financial Statements

Key Takeaways

- **Revenues increased 17.1%**
 - Primarily driven by non-operating increases for state appropriations, capital, and GMUF gift
 - Growth in tuition revenues mostly offset by increased financial aid
 - Grants & contracts increased 17.8%
- **Expenses increased 12.5%**
 - Compensation up \$69M (9%)
 - \$65.7M of non-operating related to VSH acquisition
- **Auxiliary enterprises** experienced ~ 14% growth in both revenues and expenses which includes incremental operations for real estate assets acquired in FY23 and FY24
- **Accounts Receivable write-offs:**
 - FY24 w/o: \$3.75M/0.5% of FY23 billings
 - As of 6/30/24, 96.7% collection of FY24 billings



FY 2025 Q1 Financial Report

Financial Matters

DRAFT FY 2025 Q1 Budget & Actuals

Operating

As of Q1, the operating budget is in good standing.

- Revenues are trending ahead of budget in other operating revenue and grants & contracts.
- Expenses are trending on budget. However, compensation and contractual services reflect slight increases that were primarily offset by savings in occupancy and equipment.
- Expenses continue to reflect budget reduction mitigation strategies.

**Q1 Budget shows an estimate of revenue and expenses expected to occur by September 30. Due to cashflow timing, there is a surplus at the end of Q1 that will cover expenses in future months with lower cashflow (for example: tuition payments at the start of each term, or Commonwealth funding received at the beginning of the fiscal year).*

Cash basis, in \$M's	FY 2025 Budget	FY 2025 Q1 Budget	FY 2025 Q1 Actual	var to Q1 Budget
Revenues				favorable/ (unfavorable)
Net Tuition and Fees	531	279	277	(2)
State Appropriations	359	158	158	-
Grants & Contracts	286	100	103	3
Auxiliary Enterprises	290	138	139	1
Other Operating Revenue	39	10	14	5
Total Revenues	1,505	685	692	7
Expenses				favorable/ (unfavorable)
Salaries and Wages	670	160	166	6
Fringe Benefits	198	52	49	(3)
Contractual Services	242	61	65	4
Travel	25	6	5	(1)
Supplies	25	5	6	1
Equipment	28	8	6	(2)
Capital Expenditures	2	0	1	1
Scholarships & Fellowships	199	100	99	(1)
Occupancy	42	14	11	(3)
Transfers	64	28	28	-
AE Infrastructure	3	1	-	(1)
Total Expenses	1,497	436	436	-
<i>(Shortfall)/Surplus</i>	8	249*	256*	7
<i>Strategic Use of Reserves</i>	3			

DRAFT FY 2025 Q1 Budget & Actuals

E&G Operating

- As of Q1, E&G revenues and expenses are primarily trending on budget. Revenues reflect slight shortfalls that are primarily offset by equipment expense savings.

**Q1 Budget shows an estimate of revenue and expenses expected to occur by September 30. Due to cashflow timing, there is a surplus at the end of Q1 that will cover expenses in future months with lower cashflow (for example: tuition payments at the start of each term, or Commonwealth funding received at the beginning of the fiscal year).*

Cash basis, in \$M's	FY 2025 Budget	FY 2025 Q1 Budget	FY 2025 Q1 Actual	var to Q1 Budget
Revenues				favorable/ (unfavorable)
Net Tuition and Fees	529	278	276	(2)
State Appropriations	274	73	73	-
Auxiliary Enterprises	-	-	0	-
Other Operating Revenue	20	11	8	(3)
Total Revenues	823	362	357	(5)
Expenses				favorable/ (unfavorable)
Salaries and Wages	511	114	116	2
Fringe Benefits	151	34	32	(2)
Contractual Services	84	17	18	1
Travel	7	2	2	-
Supplies	16	3	3	-
Equipment	15	6	2	(4)
Capital Expenditures	-	-	1	1
Scholarships & Fellowships	50	25	24	(1)
Occupancy	21	7	6	(1)
Transfers	(2)	1	1	-
AE Infrastructure	(22)	(6)	(6)	-
Total Expenses	832	202	198	(4)
<i>E&G (Shortfall)/Surplus</i>	<i>(9)</i>	<i>160*</i>	<i>159*</i>	<i>(1)</i>
<i>Strategic Use of Reserves</i>	<i>3</i>			
<i>Balancing Mitigation Strategies</i>	<i>6</i>			
<i>Adjusted E&G</i>	<i>-</i>			



FY 2026 Budget Process Overview

Financial Matters

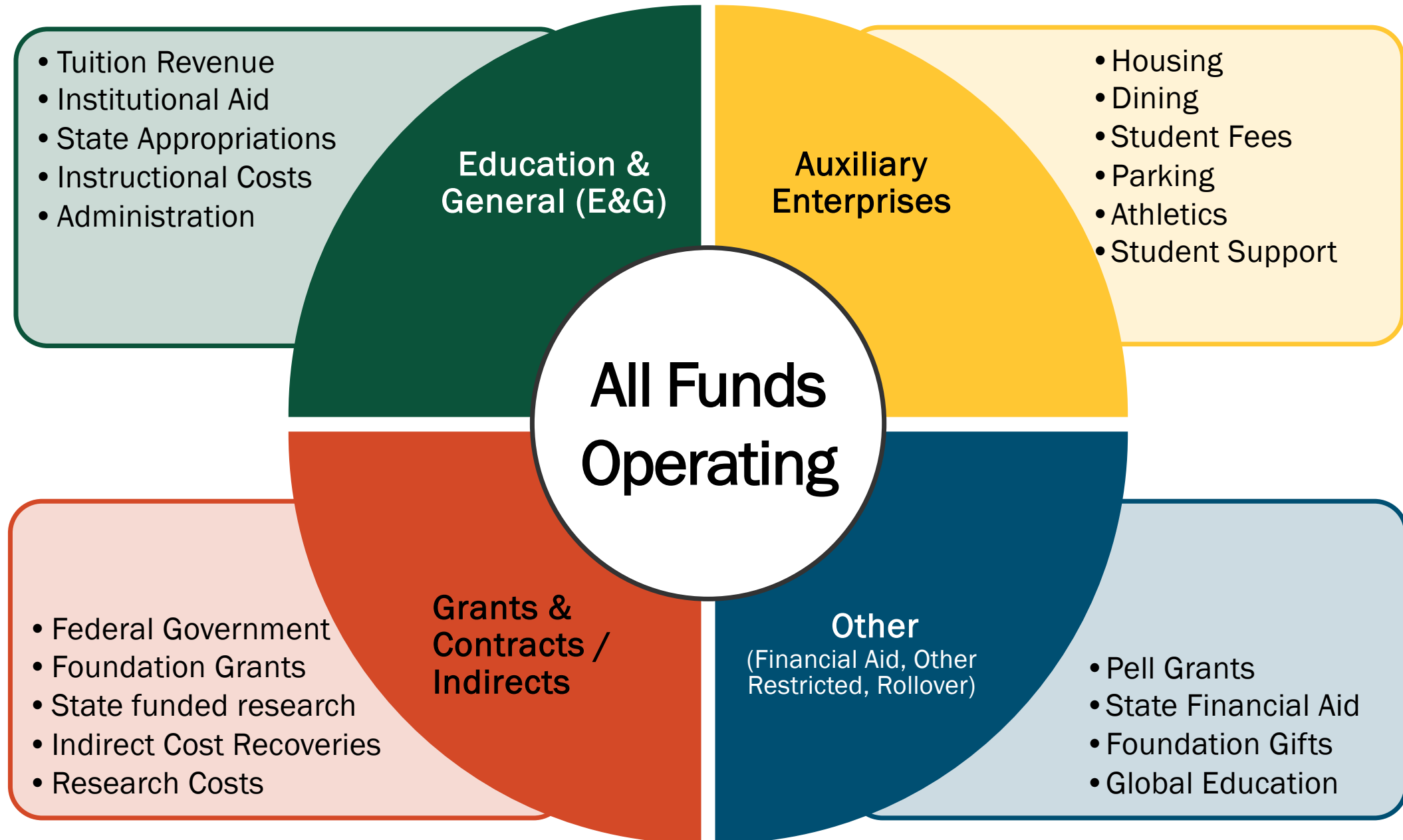
FY 2026 Budget Request Process

- The FY 2026 Budget Development Process will include an opportunity for units to request additional budget funding.
- All Budget Requests should be submitted by the Dean/VP and approved by the division's Senior Leader (e.g. President or respective EVP).
- All pre-approved budget requests will be reviewed by the Ways & Means Committee. If approved, the requests will be shared with the Senior Leadership Team for final approval.

Budget Development Process



Operating Budget: All Funds



Budget Model Redesign

Adapting to align with our evolving needs and strategic direction

Roadmap:



FY 2025 Develop

Research, analyze, recommend, and approve a new model that addresses:

- Net tuition revenue and appropriations distribution
- Indirect costs recommendations
- Reserves / fund balances / carryforward / rollover definitions and guidelines for use
- Financial aid definitions and guidelines for use
- Cost of space



FY 2026 Implement

Test and adapt new model; continue to explore:

- Consistent Use of the Chart of Accounts
- Budget development tool
- Position Control
- Ongoing discussion on Student Fees
- Initiatives—funding/investment
- Current use development funding vs. endowment spend
- Use requirements
- Terminology dictionary
- Reporting



FY 2027 Refine

- Explore technology improvements
- Build out suite of account and budget model principles
- Analyze and refine the model based upon each year of performance.





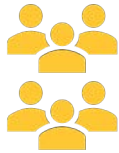
Workforce Planning Operational Matters



Top Focus Areas 2024

- Recruiting top talent
 - Compensation & benefits
- Retaining top talent
 - Compensation
 - Employee engagement
 - Upskilling/Professional Development
- Complex HR landscape
 - Generational differences
 - Increased mental health concerns
 - Hybrid work environment
- AI and HR modernization

Current Mason Workforce



12,573



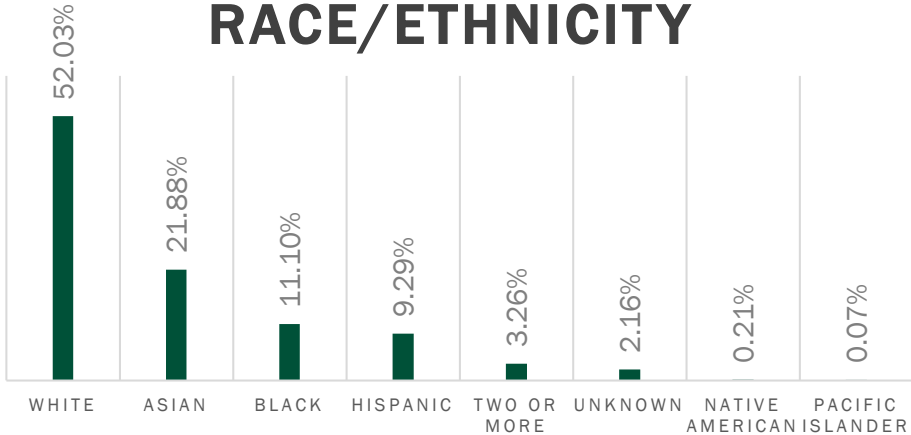
Number of Total Workforce

38.2%
Benefited Workers

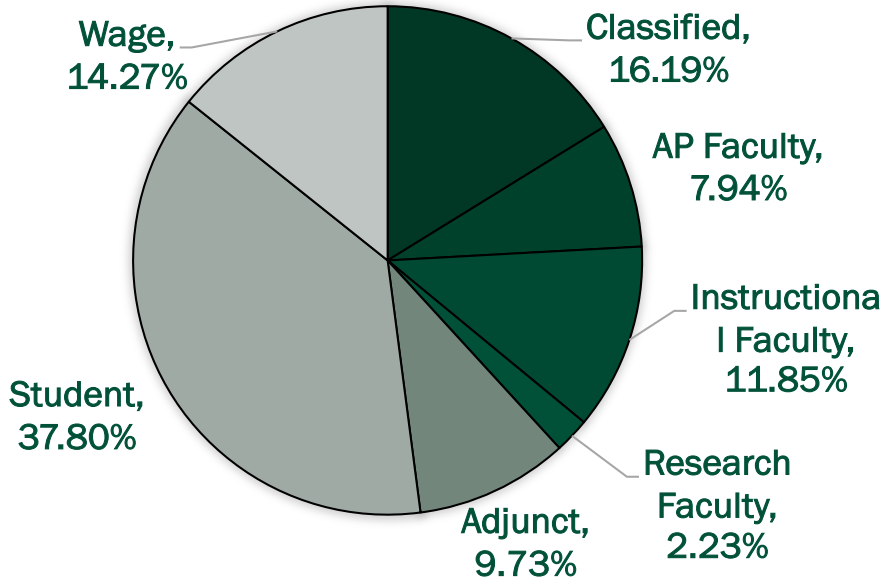
37.8%
Student Workers

18%
55+ Workers

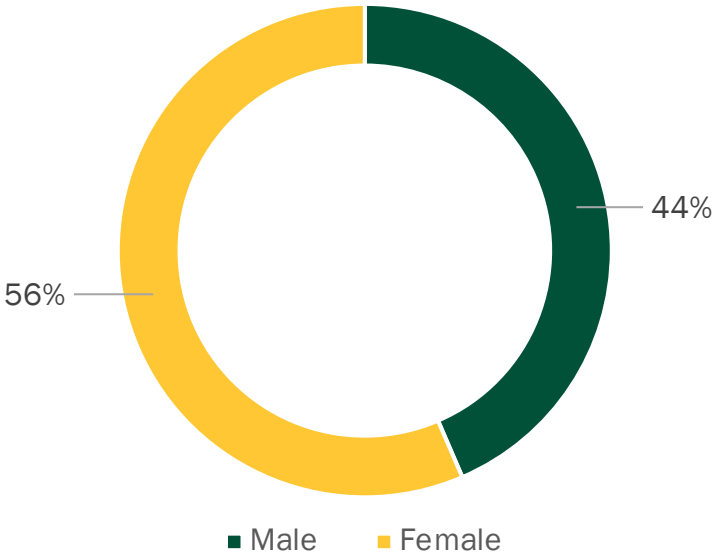
RACE/ETHNICITY



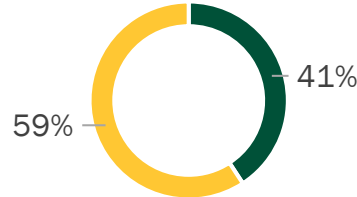
COMPOSITION



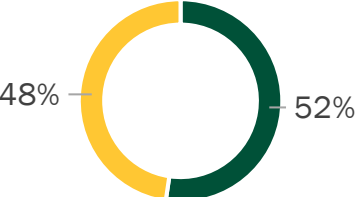
GENDER



AP Faculty & Classified Staff



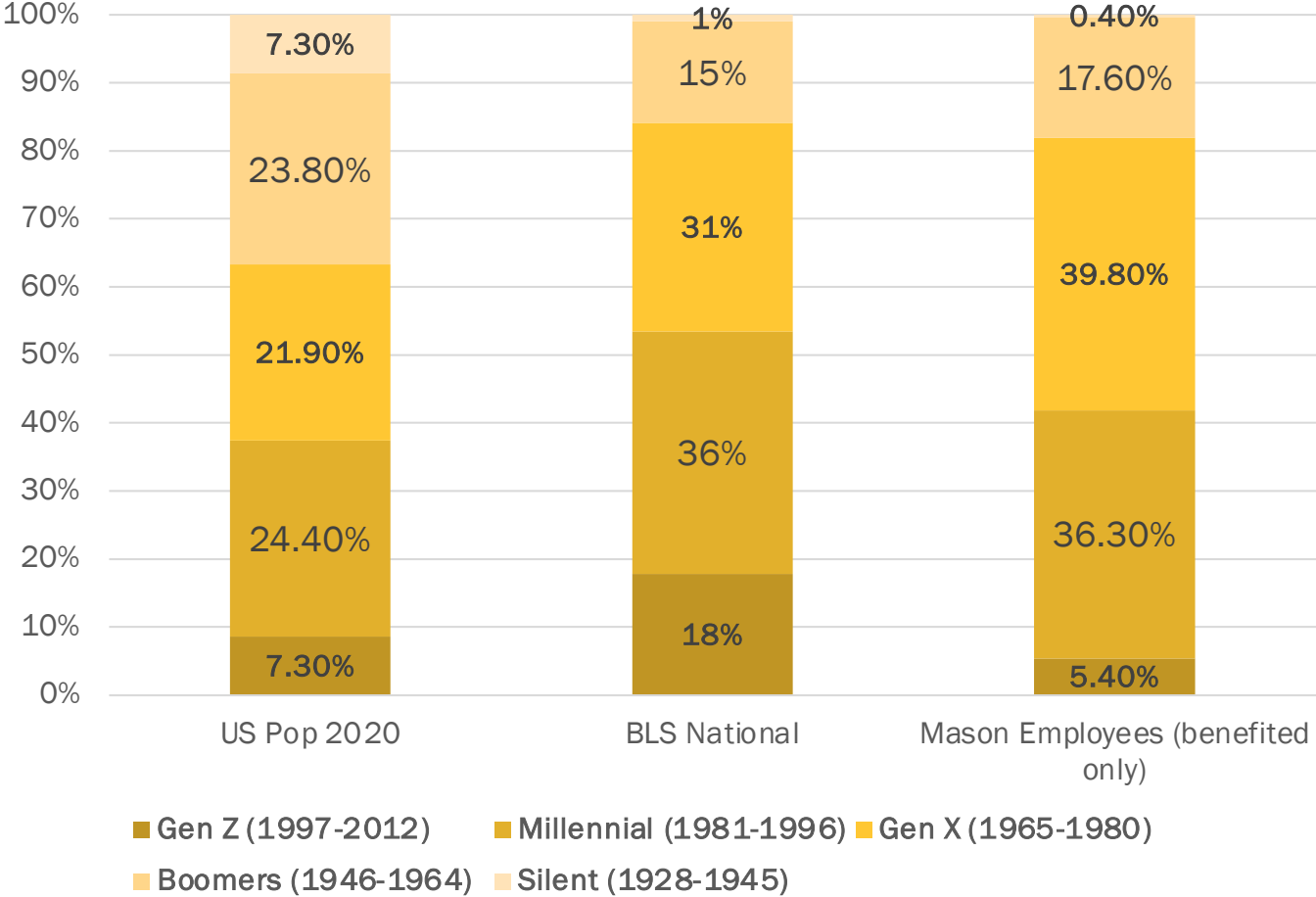
IR Faculty



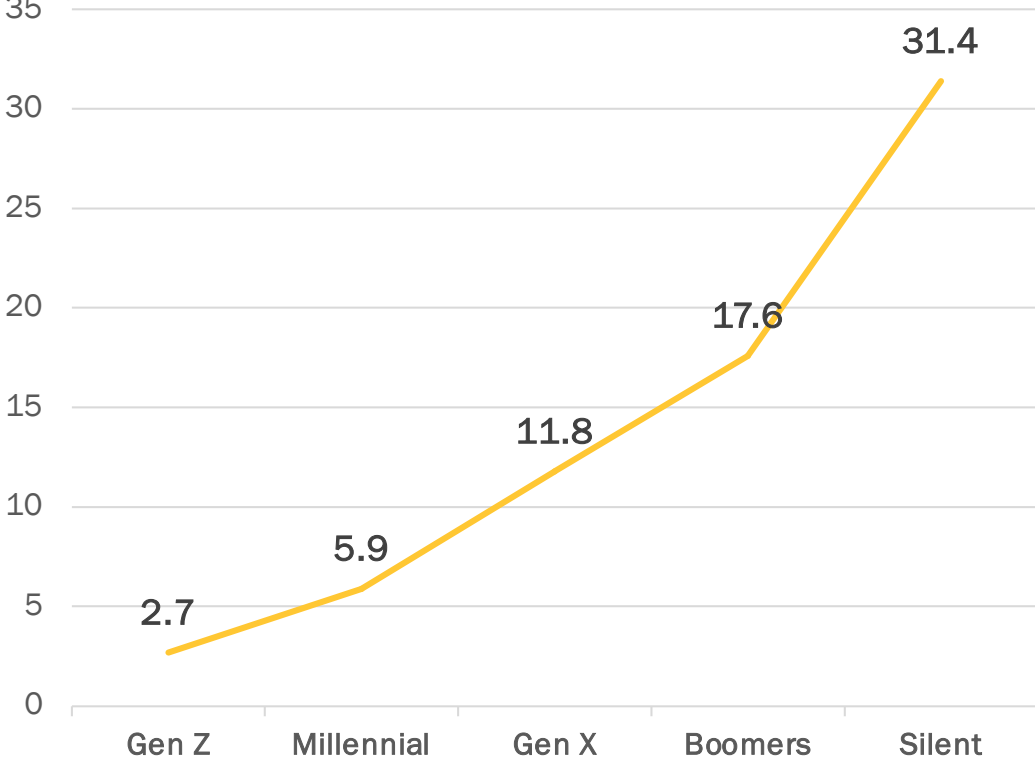
*November 2024

Generational Data

Age of Workforce



Average Years of Service



United States Census Bureau 2020: <https://www.census.gov/data/tables/time-series/demo/popest/2020s-national-detail.html>
 National: 2nd Quarter 2024 (Bureau of Labor Statistics): https://www.dol.gov/sites/dolgov/files/ETA/opder/DASP/Trendlines/posts/2024_08/Trendlines_August_2024.html#:~:text=the%20future%20workforce.-,Changes%20in%20the%20Generational%20Composition%20of%20the%20Labor%20Force,the%20Millennial%20share%20has%20increased
 Mason Employees: As of 10/01/2024

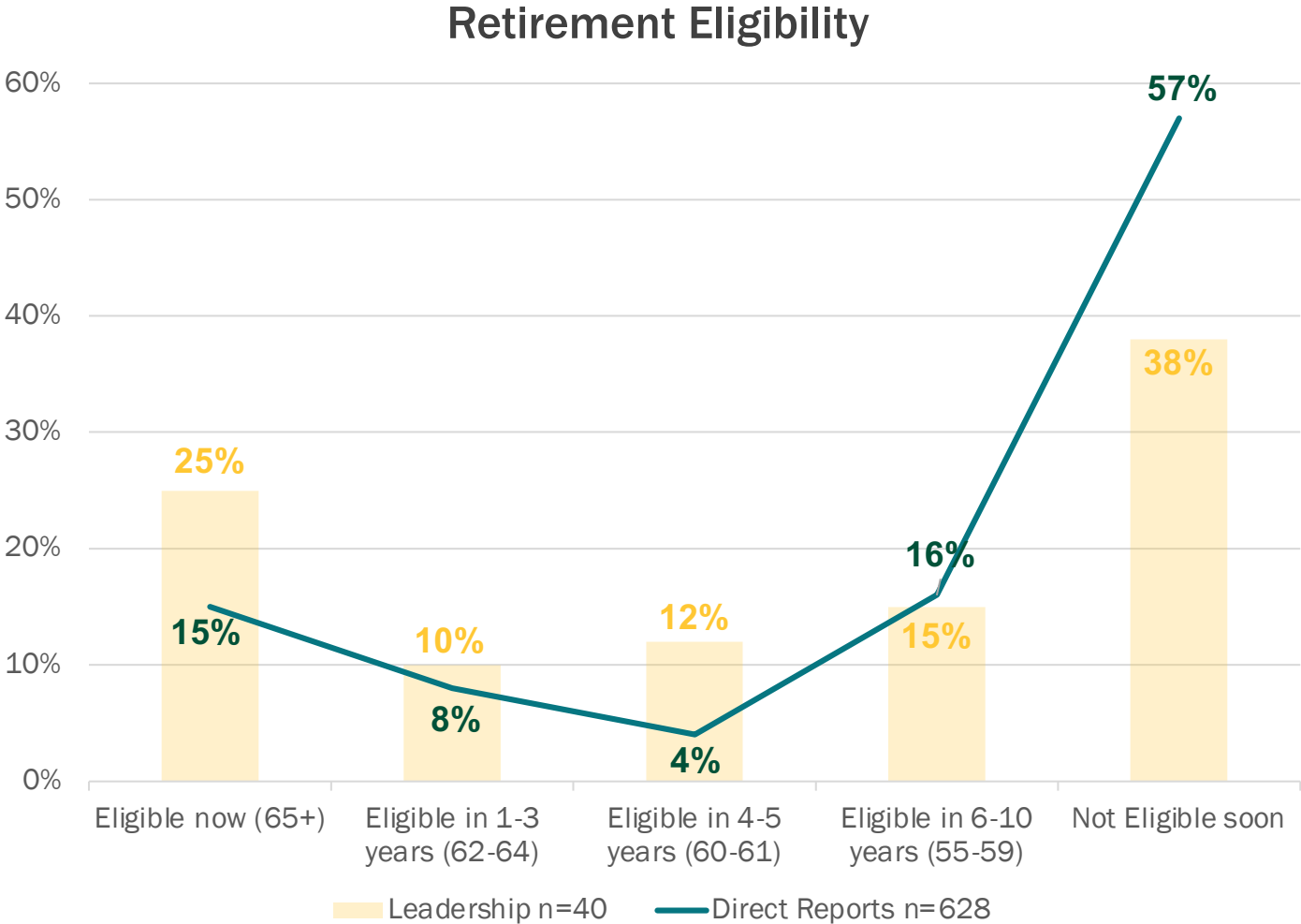
Leadership Pipeline

40 key leadership positions including vice presidents, deans, and other senior leadership positions.

- 38% are not eligible for retirement
- 25% currently eligible to retire
- 22% could retire within the next 5 years

Of the key leadership positions have 628 Direct Reports

- 57% are not eligible for retirement
- 15% currently eligible to retire
- 12% could retire within the next 5 years



Span of Control

Average and Median Supervisor Direct Report #s All Employees



Average and Median Supervisor Direct Report #s AP Faculty and Classified Employees



Turnover Rates

George Mason vs. National

	FY23	FY 24
George Mason	11.7%	9.1%
Higher Ed ¹	16%	14%

George Mason By Generation²

	FY22	FY23	FY24	3 Yr Average
Gen Z	14.0%	13.8%	13.5%	13.7%
Millennial	18.2%	14.5%	11.5%	14.6%
Gen X	8.6%	7.7%	5.1%	7.1%
Boomers	15.4%	13.2%	11.0%	13.3%
Silent	29.7%	20.7%	32.0%	27.5%
Overall	13.8%	11.7%	9.1%	11.5%

- George Mason’s turnover rate has decreased over the last three years
- Our rate is consistently below the national higher education average
- Our generational turnover rates are generally consistent with broader trends

¹ <https://www.cupahr.org/press-releases/voluntary-turnover-in-the-higher-ed-workforce-is-trending-downward/>

²Turnover Rate: Separations/Employee HR Snapshots as of 11/25 of the given FY

Reasons for Leaving

George Mason (FY24)

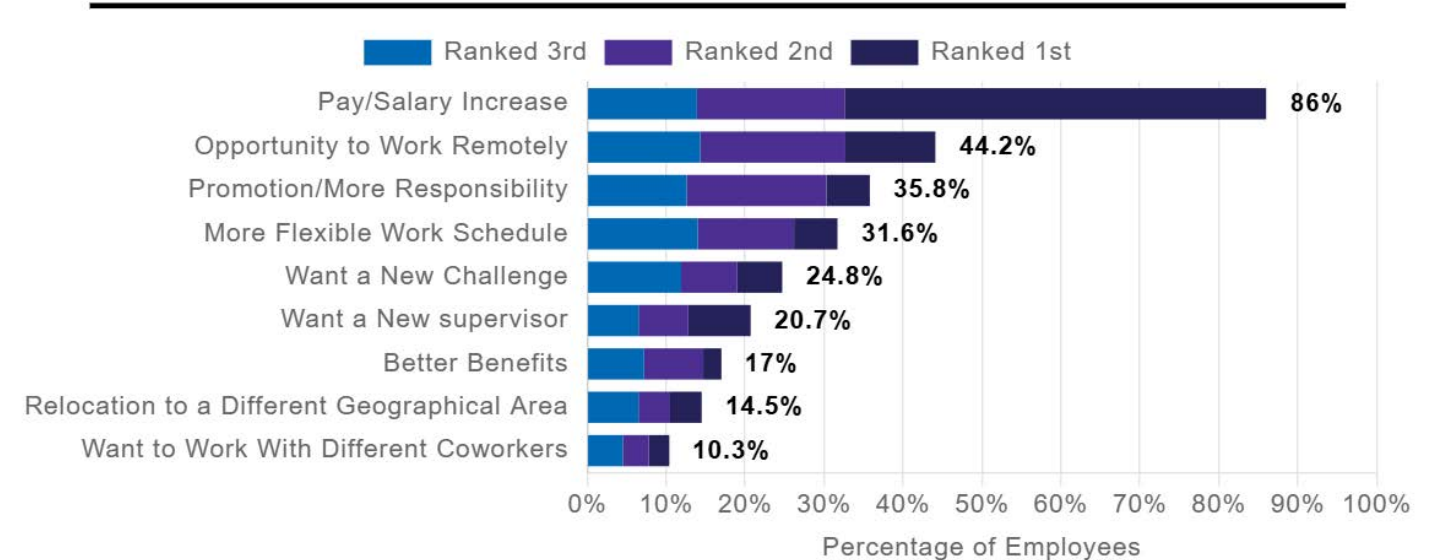
Compensation	14.3%
Retirement	11.8%
Relocating (for partner's job, to be closer to family, etc.)	11.4%
Work Life Fit/Balance	10.8%
Dissatisfied	8.1%
Family reasons (childcare, eldercare, etc.)	3.5%
End of Contract/Loss of Funding	2.5%
Returning to school	2.3%
Medical/health reasons	1.2%

GMU Resignation Forms submitted by employees

National Higher Education

2023 Employee Retention Survey

Reasons Employees Are Seeking New Opportunities



<https://www.cupahr.org/surveys/research-briefs/higher-ed-employee-retention-survey-findings-september-2023/>

Benefited Employee Hiring Trends

Critical Hires Made
in FY24 – **380**

Critical Vacancy Reviews FY24
82.5% approved
12% not approved*

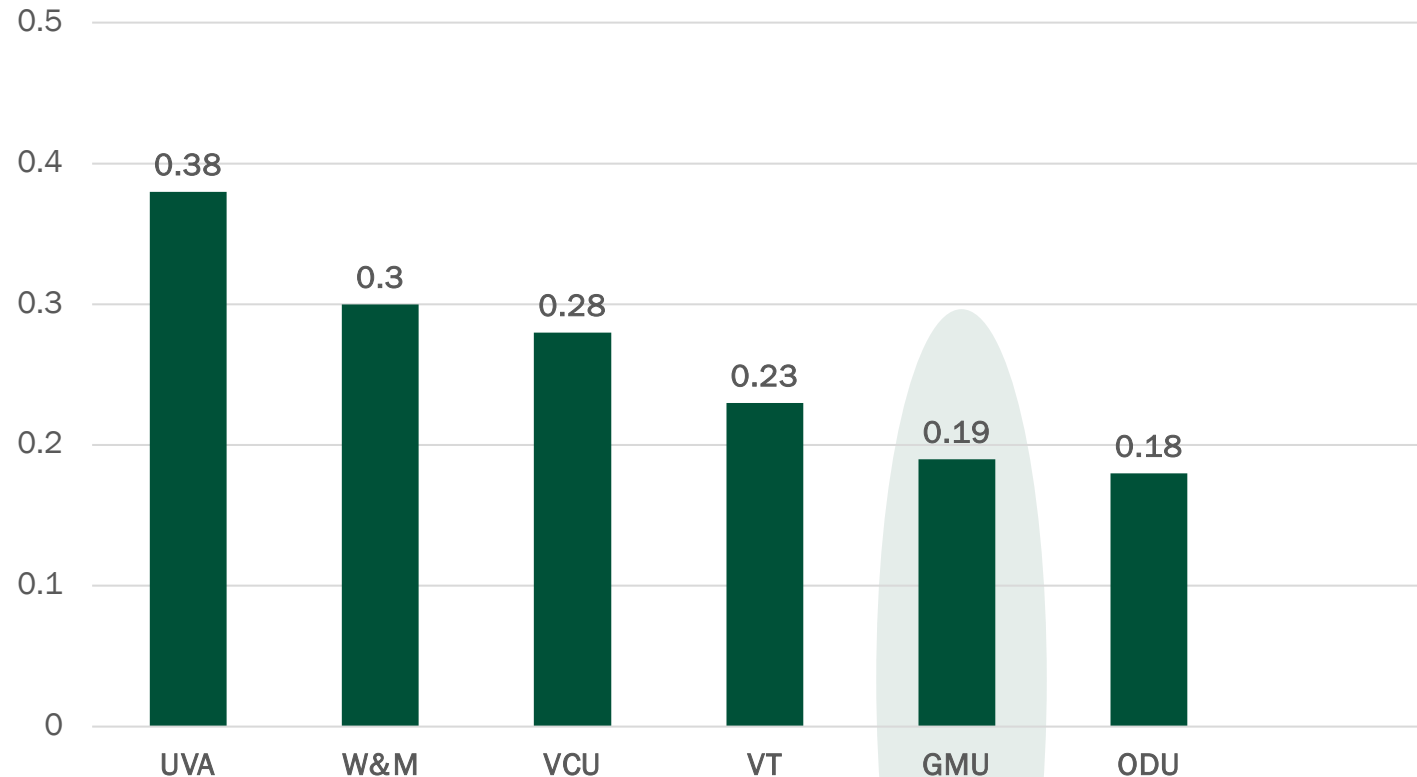
Benefited	FY19	FY20	FY21	FY22	FY23	FY24
July Headcount	4,267	4,424	4,425	4,577	4,775	4,755
New Hires	547	535	374	646	633	380
Separations	466	426	425	613	552	444
Difference (Hires - Separations)	81	109	-51	33	81	-64
Turnover Rate (July Headcount)	10.9%	9.6%	9.6%	13.4%	11.6%	9.3%

- George Mason has always maintained a very lean workforce
- While Mason has instituted a hiring review process, we have continued to hire and grow in critical areas

* The remainder of CVRs were either withdrawn or are pending in the system

Employee to Student Ratio

Total Employee FTE / Total Student FTE



	Employees:	10,893	2,799	7,368	8,861	6,112	3,405
FY23	Students:	26,635	9,344	26,326	38,857	32,828	18,800
	Ratio:	0.38	0.30	.28	.23	.19	.18

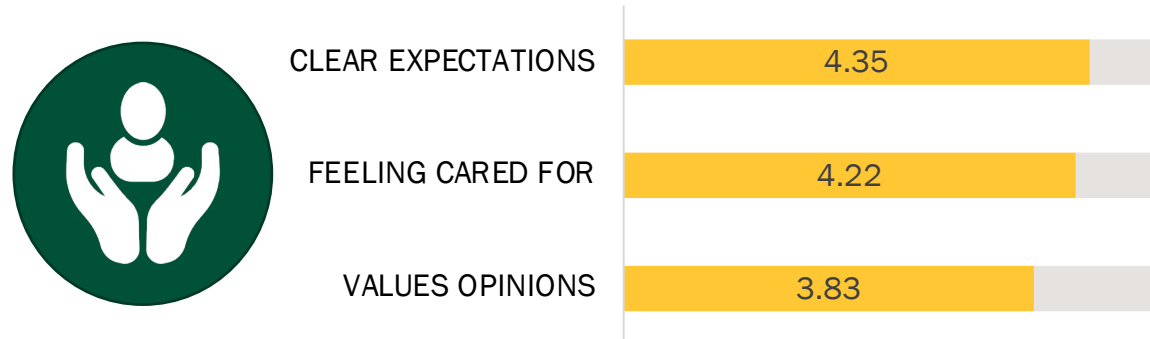
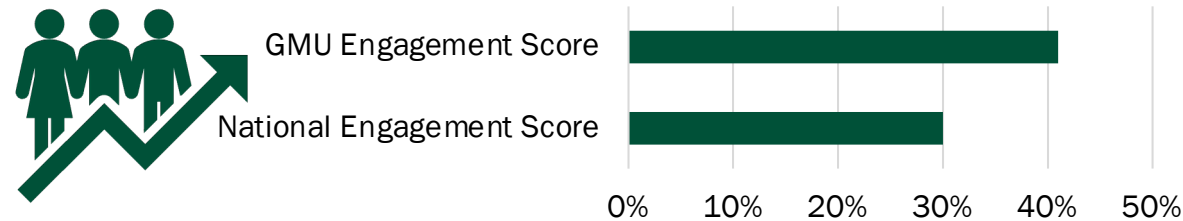
Mason maintains much leaner operations with significantly fewer employees per student than nearly all Virginia doctoral peers.

Source: SCHEV Enrollment – Annual FTE report: E05: Annualized Student FTE and Credit Hours
IPEDS FY23 Employee Headcount (FY24 data is not available yet)

Employee Engagement

Employee engagement survey completed in April 2024 in partnership with Gallup:

- Overall improvement across Gallup's Q12 questions on engagement
- Unit results available over the summer
- University town hall in September to share results and garner feedback
- HR coordinated departmental action plans based on results



1 in 3 employees experience burnout



Compensation lowest rated score



Key Initiatives

- Highlighting and encouraging the use of our rewards and recognition program offerings
- Working with units on succession planning strategies
- Improving our exit process and stay interviews process
- Ensuring positions are in the right job families and completing market-based salary reviews
- Reviewing and expanding our benefits offerings to include enhanced mental health access
- Increasing professional development offerings



Retirement Plan Investment Policy Annual Update

Operational Matters

Annual Investment Overview

Total Assets: \$1.47 B	
TIAA Optional Retirement Plan (ORP)	\$529 M
TIAA Cash Match	\$21.7M
TIAA 403(b)	\$427.6M
Fidelity Optional Retirement Plan (ORP)	\$263.6M
Fidelity Cash Match	\$14.8M
Fidelity 403(b)	\$218.4M

Hardship/Loan Information	
Active Loans	90
Hardships	21
Active Loan Balance	\$1.05M
Active Hardship Balance	\$93k

Data pulled as of 10/15/2024 for Fidelity and TIAA, subject to change thereafter

Investment Policy Committee (IPC)

Key Accomplishments During Past Year:

- Finalized fee negotiations with TIAA and Fidelity
- Migration to an equitable and transparent fee structure (Pending)
- Fee holiday for 2025
- Reduction in investment fees on several funds
- Reviewed cybersecurity programs of vendors with access to participant data
- Reviewed TIAA custom target date solutions

Next Steps:

- Continue migration to more transparent and fully disclosed fee structure
- Continue returning excess revenue credits to plan participants



Capital Project Funding Update

Capital Matters

Board Approval of Major Capital Projects

As identified in Mason's Higher Education Capital Outlay (HECO) Manual* each major capital project must be approved by the Board at the following stages:

- **Project Approval (Annual Capital Plan)**
- **Schematic Design Approval**
- **Significant Change Approval**
 - Required for changes greater than 10% in Budget (\$) or Scope (GSF)
- **Ongoing Project Review**
 - Stoplight Chart (in each BOV meeting Board Book)
 - Completion Report (upon project completion)

FY25 Capital Budget By Project

	Authorized Funding						Fundraising to Date	Expenditures		
	State	Debt	Fund-raising	Mason Funding	P3 Funding	Total		As of FY24	FY25 Budget	Balance
Planning Phase										
Interdisciplinary Sci. & Engr. Building	0.5	0.0	0.0	0.0	0.0	0.5	N/A	0.0	0.5	0.0
Address Priority Facility Improvements	8.0	0.0	0.0	0.0	0.0	8.0	N/A	0.0	1.7	6.3
EagleBank Arena AHU Replacements	0.0	0.0	0.0	11.7	0.0	11.7	N/A	0.0	0.5	11.2
Design Phase										
Basketball and Academic Performance Center	0.0	0.0	14.5	15.5	0.0	30.0	0.0 ⁽¹⁾	0.3	1.8	27.9
Telecom Infrastructure, Ph 2	12.3	11.0	0.0	0.0	0.0	23.3	N/A	0.5	2.7	20.1
Telecom Infrastructure, Ph 3	14.3	9.8	0.0	0.0	0.0	24.0	N/A	0.0	1.6	22.4
Construction Phase										
Student Activities & Engagement Building	0.0	0.0	0.0	11.0	0.0	11.0	N/A	1.7	9.3	0.0
Aquatic & Fitness Center Capital Renewal	0.0	0.0	0.0	13.5	0.0	13.5	N/A	8.6	4.9	0.0
Life Science Engineering Building	107.0	0.0	0.0	0.0	0.0	107.0	N/A	70.3	34.3	2.4
Expand Central Plant Capacity	8.2	0.0	0.0	0.0	0.0	8.2	N/A	1.2	6.0	1.0
Telecom Infrastructure, Ph 1	10.5	0.0	0.0	0.0	0.0	10.5	N/A	5.2	4.2	1.1
Johnson Center HVAC Repairs	0.0	0.0	0.0	8.0	0.0	8.0	N/A	2.7	4.5	0.8
FUSE at Mason Square	90.0	0.0	80.0 ⁽²⁾	68.8	78.0	253.8	17.0 ⁽³⁾	173.3	69.2	11.3
Tech Talent Bachelors Capital	23.0	0.0	0.0	0.0	0.0	23.0	N/A	16.3	1.7	5.0
Close-Out										
Land Acquisition Ph 1 (Lot 6, 8 & 11)	0.0	0.0	0.0	40.0	0.0	40.0	N/A	24.1	0.0	15.9
Umbrella (On-going)										
Maintenance Reserve	4.2	0.0	0.0	(0.8)	0.0	3.4	N/A	N/A	3.4	0.0
Annual Capital	0.0	0.0	0.0	6.7	0.0	6.7	N/A	N/A	6.7	0.0
Authorized (Pending Funding)										
Academic VIII	200.0	0.0	0.0	0.0	0.0	200.0	N/A	0.0	0.0	200.0
Point of View Cottages	4.0	0.0	4.0	0.0	0.0	8.0	0.0 ⁽⁴⁾	0.0	0.0	8.0
Renovations Concert Hall	0.0	0.0	25.0	0.0	0.0	25.0	17.5 ⁽⁵⁾	0.0	0.0	25.0
Costello College of Business Building	0.0	0.0	165.0	0.0	0.0	165.0	9.2 ⁽⁶⁾	0.0	0.0	165.0
Energy Efficiency Investments	0.0	0.0	0.0	7.5	0.0	7.5	N/A	0.0	0.0	7.5
Housing Renovations Phase 1	0.0	0.0	0.0	25.0	0.0	25.0	N/A	0.0	0.0	25.0
Real Estate Acquisitions Phase 4 (TBD)	0.0	0.0	0.0	50.0	0.0	50.0	N/A	0.0	0.0	50.0
Total	481.9	20.8	288.5	256.9	78.0	1,063.0	43.7	304.1	153.0⁽⁷⁾	605.9
							Annual Debt Service			47.0
							Sub-total			200.0
							Developer Cost Included Above			(22.0)
							Adj. Total			178.0

(1) As of 10/31 \$0.0 collected and fundraised to date (2) Only the fundraising to date is included in total as it is anticipated that Mason funds will be used to bridge fund until fundraising is received. (3) Total fundraising is \$21M; \$4M of fundraising was allocated towards the demolition of the existing building as a separate capital project. (4) As of 10/31 \$0.0 collected and fundraised to date (5) As of 10/31 \$6.3 cash collected, total fundraising is \$17.5 including pledges/future pmts (\$250k of that are bequests) (6) As 10/31 \$2.1 cash collected, total fundraising is \$9.2 including pledges/future pmts (\$2.25 of that are bequests) (7) This amount (excluding P3) is prediction of the audited statement of cash flows "purchases of capital assets."

Capital Project Stoplight (included in Board Book)

	Total Project Authorization (A)	Expenditures			Project Available Balance (=A-B-C)	Budget Status	Schedule Status	Scope Status	Construction % Complete	Occupancy/Completion Date
		As of FY24 (B)	Fiscal Year 2025							
			Budget	YTD						
Planning Phase										
Interdisciplinary Sci. & Engr. Building	0.5	0.0	0.5	0.0	0.5				0.0%	TBD
Address Priority Facility Improvements	8.0	0.0	1.7	0.0	1.7				0.0%	TBD
EagleBank Arena AHU Replacements	11.7	0.0	0.5	0.0	0.5				0.0%	TBD
Design Phase										
Basketball and Academic Performance Center	30.0	0.3	1.8	0.4	1.8	●	●	●	0.0%	12/2/26
Telecom Infrastructure, Ph 2	23.3	0.5	2.7	0.6	2.7	●	●	●	0.0%	4/16/26
Telecom Infrastructure, Ph 3	24.0	0.0	1.6	0.0	0.7	●	●	●	0.0%	TBD
Construction Phase										
Student Activities & Engagement Building	11.0	1.7	9.3	2.5	9.3	●	●	●	44.7%	5/4/25
Aquatic & Fitness Center Capital Renewal	13.5	8.6	4.9	3.1	4.9	●	●	●	96.5%	9/1/24
Life Science Engineering Building	107.0	70.3	34.3	16.5	34.3	●	●	●	88.4%	1/13/25
Expand Central Plant Capacity	8.2	1.2	6.0	1.3	6.0	●	●	●	31.0%	1/26/26
Telecom Infrastructure, Ph 1	10.5	5.2	4.2	1.7	4.2	●	●	●	68.3%	1/17/25
Johnson Center HVAC Repairs	8.0	2.7	4.5	2.9	4.5	●	●	●	75.2%	5/15/25
FUSE at Mason Square	253.8	173.3	69.2	26.4	59.3	●	●	●	86.4%	7/1/25
Tech Talent Bachelors Capital	23.0	16.3	1.7	1.4	1.7	●	●	●	N/A	N/A
Close-Out										
Real Estate Acquisitions Phase 1 (Arlington)	40.0	24.1	0.0	0.0	0.0	●	●	●	100.0%	Complete
Umbrella (On-going)										
Maintenance Reserve	3.4	N/A	3.4	0.5	3.4				N/A	N/A
Annual Capital	6.7	N/A	6.7	10.3	15.0				N/A	N/A
Authorized (Pending Funding)										
Academic VIII	200.0	0.0	0.0	0.0	0.0				0.0%	TBD
Point of View Cottages	8.0	0.0	0.0	0.0	0.0				0.0%	TBD
Renovations Concert Hall	25.0	0.0	0.0	0.0	0.0				0.0%	TBD
Costello College of Business Building	165.0	0.0	0.0	0.0	0.0				0.0%	TBD
Energy Efficiency Investments	7.5	0.0	0.0	0.0	0.0				0.0%	TBD
Housing Renovations Phase 1	25.0	0.0	0.0	0.0	0.0				0.0%	TBD
Real Estate Acquisitions Phase 4 (TBD)	50.0	0.0	0.0	0.0	0.0				0.0%	TBD
Total	1,063.0	304.1	153.0	67.4	150.6 ⁽¹⁾	616.7				

(1) This amount (excluding P3) is prediction of the audited statement of cash flows "purchases of capital assets."



Schematic Design for Basketball & Academic Performance Center

Capital Matters

Basketball & Academic Performance Center (BAPC)

Purpose: Board review & approval of BAPC schematic design

Scope: 45,969 SF

- New Construction: 31,542 SF
- Renovation: 14,427 SF

Project Budget: \$30M

- Reserves: \$15M
- Fundraising: \$15M

Primary Uses:

- Basketball practice facility
- Academic performance suite

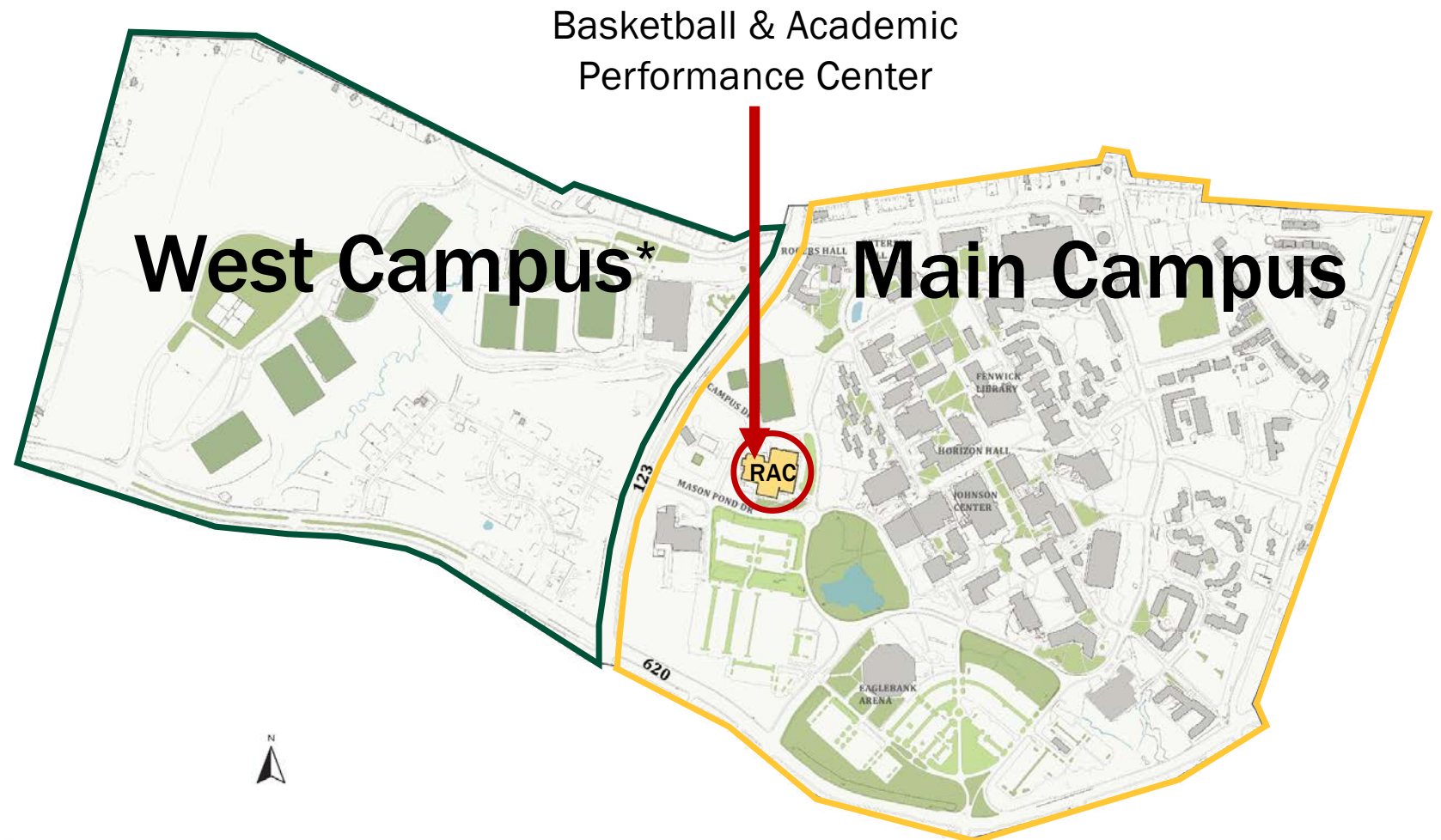
Schedule:

- Construction Start: July 2025
- Target Occupancy: Winter 2026-27
- Sustainability Target: LEED Silver

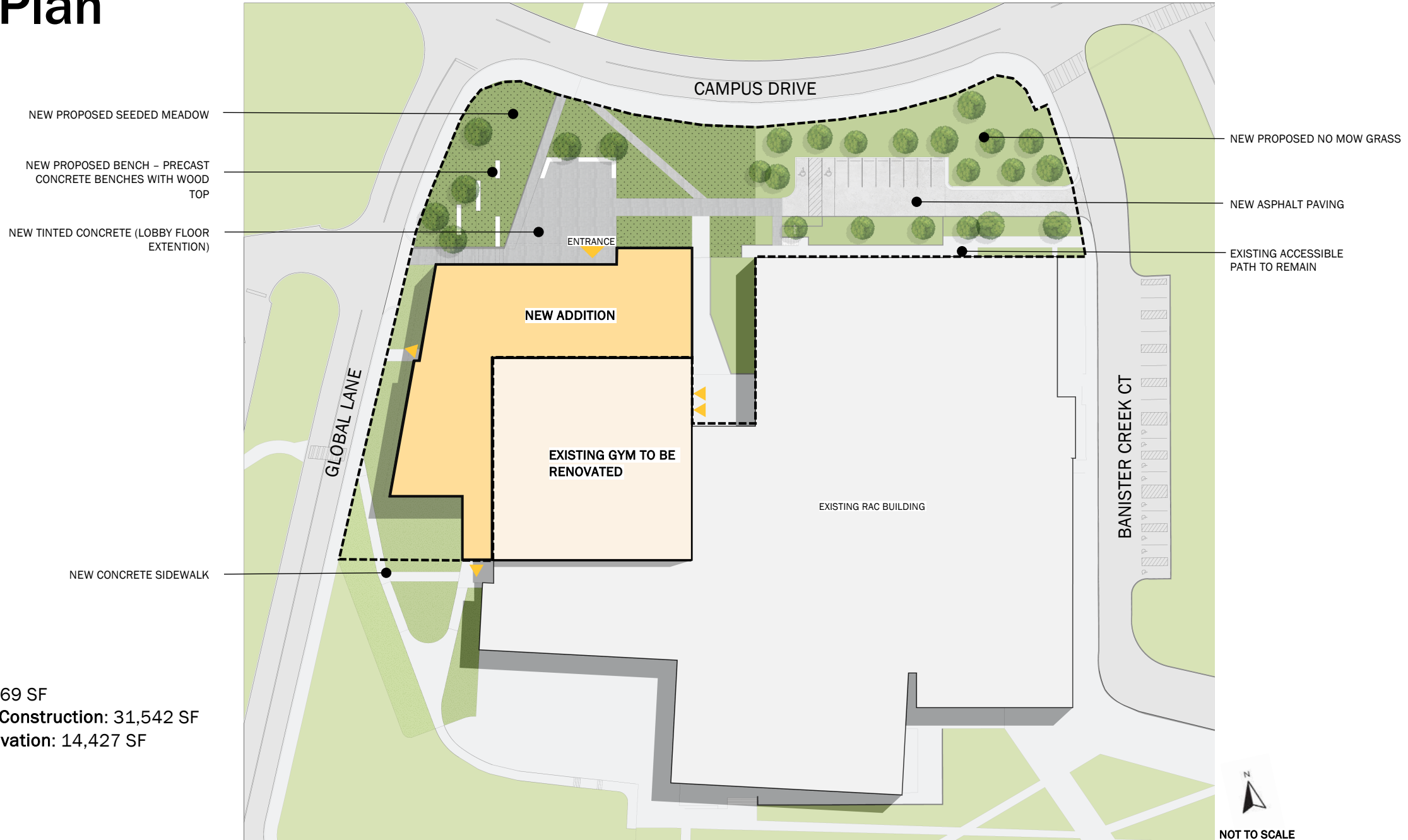
Project History:

- May 2023: BOV project approval

**West Campus planning is forthcoming*



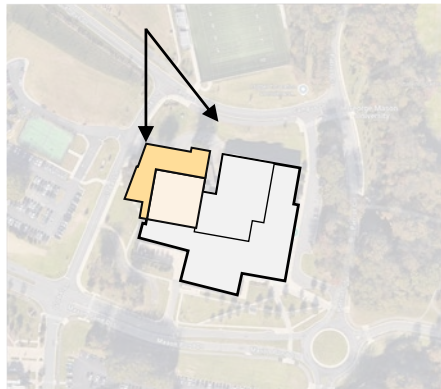
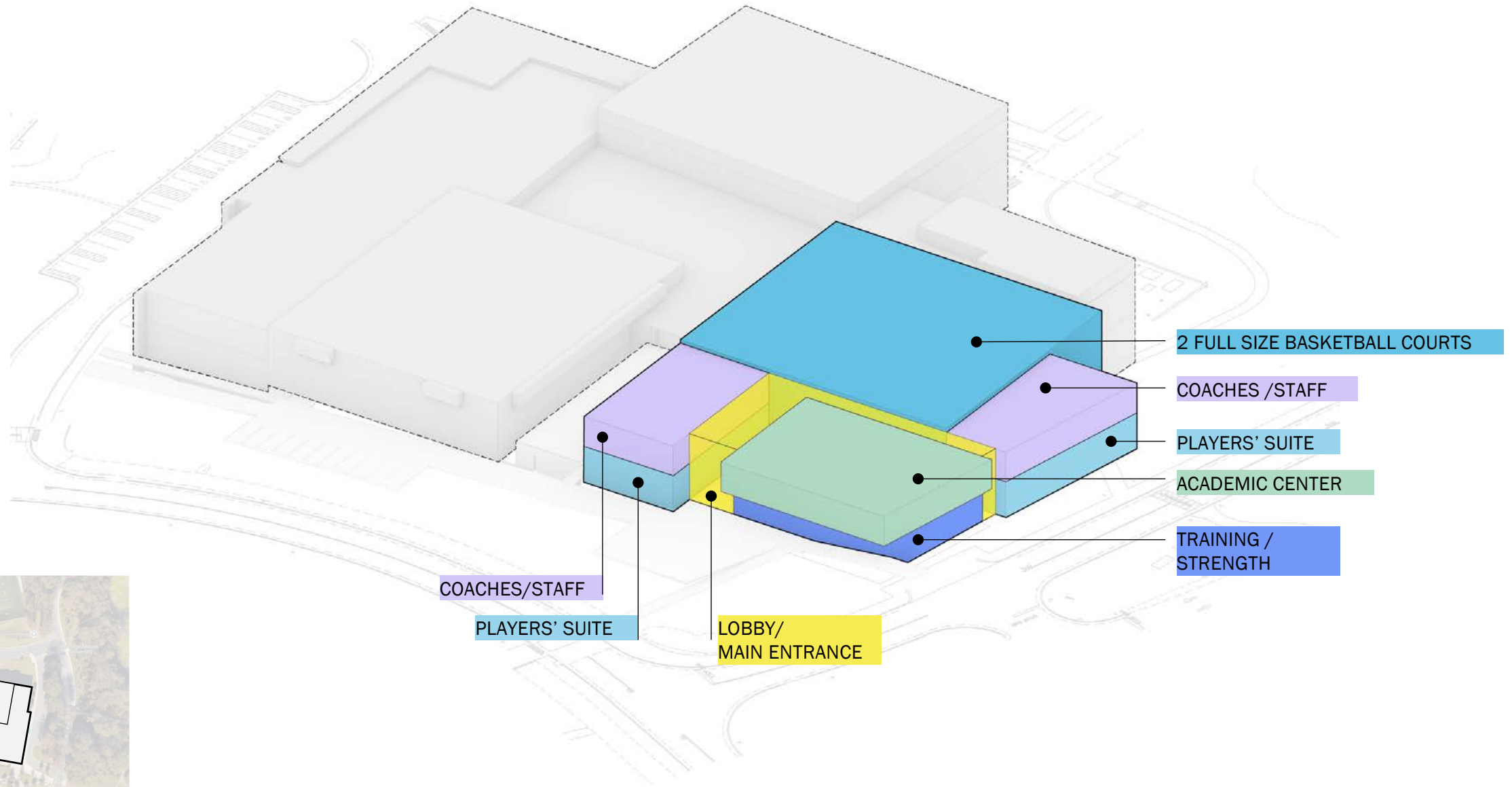
Site Plan



- Total: 45,969 SF**
- **New Construction: 31,542 SF**
 - **Renovation: 14,427 SF**



Programmatic Massing



Schematic Floor Plan

Second Floor Plan

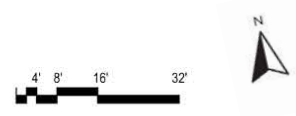
- TRAINING / STRENGTH
- WOMEN'S COURT AND SUITE
- MEN'S COURT AND SUITE
- CIRCULATION SPACE



Schematic Floor Plan

Third Floor Plan

- ACADEMIC CENTER
- WOMEN TEAM COACHES SUITE
- MEN TEAM COACHES SUITE
- CIRCULATION SPACE
- TERRACE



Exterior View



Aluminum panel



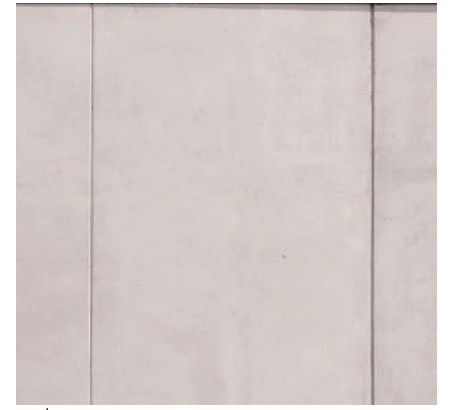
Insulated glass unit glazing



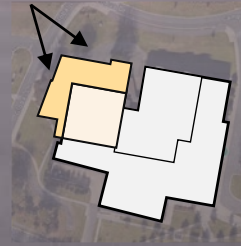
Aluminum composite panels



Low iron triple glazing



Cast-in-place concrete



Recommendation

Approval of the schematic design of the Basketball & Academic Performance Center and to authorize the project to proceed through design into construction.



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