GEORGE MASON UNIVERSITY
Office of the Senior Vice President
Administration and Finance
4400 University Drive; MS 3B2; Fairfax, VA 22030
Phone: 703-993-8750; Fax: 703-993-8772

Revised Six Year Plan- Executive Summary

George Mason University has demonstrated that we are an efficient steward of State resources through our ability to leverage constrained resources to achieve positive outcomes. However, without additional investment our ability to make progress on the State's goals of cost-effective delivery of our academic, research and student success mission is not sustainable.

We are submitting a revised Six Year Plan request for $86.3M in State general fund support in FY24—this represents a $47.2M increase over the FY24 $39.13M general fund allocation in the State biennium budget. This new request is based on our identification of core base budget operating shortfalls that have never been totally addressed due to our historic funding disparity. We recognize that this is a significant ask.

Mason receives significantly lower appropriations than most of our peers, while operating in the highest-cost Virginia market and driving the majority of Commonwealth enrollment growth. We are grateful for the State's recognition of our need for additional general fund support over the past two years; however, the cumulative impact of many years of underinvestment has resulted in an operating budget that has always understated the true costs of operations.

Mason has relied on lapsed compensation and one-time funding for base budget needs to balance our operating budgets. We need to hire critical faculty and staff at competitive salaries to support our growing enrollments, as well as to address existing market inequities that challenge our ability to recruit and retain talent. Further, escalating contract and procurement costs are significantly higher than our peers due to the high costs of our region. We have made the hard choices among competing priorities in our resource-constrained environment, but now they risk cutting into our operating core.

Mason has a long-standing commitment to access and affordability; therefore, we have had modest tuition increases with the fifth lowest in-state UG tuition of the six R1 State institutions with the lowest endowment per student. Our two major sources of revenues are tuition and State appropriations. Our tuition revenues are vital to paying our share of the State-authorized salary match and providing increased institutional aid for our needy students. Mason allocates tuition revenue to fund institutional aid to offset the increase for those most impacted; one-third of revenues from the most recent increase went towards financial aid. After these commitments, we have little to no base funding available for strategic initiatives and core operating needs.

Our original biennium request to the State was $84.8M; the State approved GF appropriations of $55.17M over the biennium with the majority of the FY24 appropriation allocated for student financial aid.

Due to the costs outlined above, Mason has identified a base budget gap of $57M in FY24. The State allocated $11.361M and $11.373M in increased GF support in FY23 & FY24 respectively:

- *$10.623M per year in additional Affordable Access/Operating GF support in FY23 and FY24*
- *$724K per year for the minimum wage increase*
- *$14K (FY23) and $26K(FY24) in additional funding for maintenance & operating costs new facilities coming online.*

The State investment is vital to our operations. Of the $10.623M State GF operating appropriations increase, we are reallocating $2.5M to supplement the salary cost-share in FY23 and FY24 and using the remaining $8.123M in FY24 to offset the base budget shortfall of $57M. Therefore, Mason is requesting an additional $47.2M in State support for FY24. Although our revised FY24 State request is $47.2M, our total revised biennium request is $102.4M, which is $17.6M above our original biennium request of $84.8M.

We are requesting $47.2M in additional State support to help Mason address challenges unique to the Northern Virginia market including more competitive compensation and more expensive goods and services:

- Compensation: Market gap and critical new hires -$31.6M
- Operating Cost escalations-$10M
- Investments in technology infrastructure, systems & efficiency -$5.6M

We are working towards a sustainable funding model that allows us to provide resources for our strategic priorities focused on leveraging, reallocation and redeployment of resources and diversify our revenue streams. The model will balance our commitment to affordability and access, student success, academic and research excellence and expanding economic development with new resources, including increased State investment, so that we can continue to grow and thrive.

Mason has been an innovator and an engine of economic development for the State and the region, providing opportunity for economic and social mobility and entrée into the middle class for Virginia students. In order to continue our tradition of academic and research excellence and student success-- and to partner with the State to improve our efficiency and effectiveness—we need this additional support.