Growth & Efficiency
Building Financial Sustainability & Effectiveness
I. Unparalleled Access + Success
Mason Is A Success Story

Highlights from Six-Year Planning Process:

Mason continues to deliver access to excellence for more students with fewer resources than our peers.

Student Population

By Degree Level (2022)

- GMU: 38,588
- In-state: 21%
- Out-of-state: 79%

By Race/Ethnicity (2022)

- White: 13%
- Other or Unknown: 10%
- Black/AA: 24%
- Hispanic: 36%
- Asian or Pacific Islander: 60%

By Pell Recipient Status (2021)

- GMU: 32%
- VA public 4y Avg: 27%
- Pell: 68%
- Non-Pell: 73%

By Resident Status (2022)

- GMU: 25%
- VA public 4y Avg: 24%
- In-state: 76%
- Out-of-state: 76%

1. Full-time general UG student charges including tuition, mandatory fees, and average room & board
2. African-American  Source: SCHEV TF01 report

High-level Financials

2022 Tuition (\$K)

- In-state: GMU 25.7, VA public 4y Avg 24.9
- Out-of-state: GMU 49.2, VA public 4y Avg 41.9

2022 Total E&G Expenditures (\$M)

- Instructional: 669
- Research: 37
- Academic: 91
- Student Services: 389
- Institutional/ Administrative: 10
- Operations and Maintenance: 10

2022 E&G Expenses per student (\$K)

- GMU: 21
- VA public 4y Avg: 21
- VA R1 Peers: 24
# Better Results With Fewer Resources

## Enrollment volume & composition

**Current enrollment: 37K students in Fall 2022**
- 25% lower-income students in 2021 (10 percentage point increase from 2011)
- 91% acceptance rate in 2022 (+3.75% CAGR since 2012)
- 22% yield in 2022 (-2.72% CAGR since 2012)

## Financial effectiveness & sustainability

**Current cost of attendance: $30.7K in 2022**
- $5.8K annual borrowing per full-time student (2.4% annual borrowing since 2013)

**Current revenue mix: GF is 27% of E&G revenue ($188M) in 2022; 5.8% annual growth since 2013**
- $505M of Non-GF E&G total in 2022 (73% of total revenue); 5.6% annual growth since 2013
- 15% discount rate in 2022 (4 percentage point increase since 2014)

**Current per student expenditure: $26K in 2022**
- $832M total expenditure in 2022 (+4.1% annual growth since 2015; +2.6% since 2019)
- 3.2 composite financial index ratio in 2021 vs. 3.0 benchmark (increase of 1.76 since 2015)

## Program alignment & performance

**Current 6-year graduation rate: 69% for freshman cohort of 2016**
- 4.4 year avg time-to-degree for first-time in college students who graduated in 2022 (0 change since 2013)

**Current median wage of BA/MA graduates 3-years post-graduation: $59K/$73K (vs. $35K for those with only a high school degree or equivalent)**
- 1% difference in median wages for Pell graduates and non-Pell graduates

4 | Office of the Executive Vice President
Mason provides the second highest economic mobility among all Virginia institutions.

However, Mason has the best performance when comparing economic mobility and funding per student.

Mason grads stay in Virginia:
- 73% in-state
- 29% out-of-state

Economic mobility is based on volume of Pell students and the success at graduating those students.

Supporting All Virginia Learners

Through a variety of programs and pathways, Mason provides access and opportunity for nontraditional students of all demographics.

Sources: Transfers: SCHEV, FY2020; 25+ and Part-time UG: IPEDS, Fall 2021
## Maintaining Affordability

When state and tuition funding are combined, Mason is nearly $6,000 per in-state student FTE below the mean of five doctoral peer institutions.

<table>
<thead>
<tr>
<th>Institution</th>
<th>FY23 I-S Tuition Rate + E&amp;G Fees</th>
<th>Mean of Five Peers = $23,859</th>
</tr>
</thead>
<tbody>
<tr>
<td>W&amp;M</td>
<td>$29,751</td>
<td></td>
</tr>
<tr>
<td>UVA</td>
<td>$26,879</td>
<td></td>
</tr>
<tr>
<td>VCU</td>
<td>$23,491</td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td>$21,763</td>
<td></td>
</tr>
<tr>
<td>GMU</td>
<td>$17,872</td>
<td></td>
</tr>
<tr>
<td>ODU</td>
<td>$17,410</td>
<td></td>
</tr>
</tbody>
</table>

| Student FTE | 5,408  | 14,392 | 22,909 | 23,677 | 25,461 | 16,837 |

(1) I-S Student FTE is based on FY22 enrollment. The update for FY23 will be available in the Fall.
Mason has significantly fewer employees per student than nearly all Virginia doctoral peers.

But this level of leanness is not sustainable.

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**Operational Efficiency**

**Total Employee FTE / Total Student FTE**

<table>
<thead>
<tr>
<th></th>
<th>UVA</th>
<th>W&amp;M</th>
<th>VCU</th>
<th>VT</th>
<th>GMU</th>
<th>ODU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>0.38</td>
<td>0.27</td>
<td>0.24</td>
<td>0.22</td>
<td>0.15</td>
<td>0.14</td>
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<tr>
<td>Employee</td>
<td>9,792</td>
<td>2,463</td>
<td>6,481</td>
<td>8,240</td>
<td>4,898</td>
<td>2,738</td>
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<tr>
<td>Student</td>
<td>26,070</td>
<td>9,124</td>
<td>26,730</td>
<td>37,981</td>
<td>32,344</td>
<td>18,891</td>
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</tbody>
</table>

Source: Employee FTE for FY21 from IPEDS (Integrated Postsecondary Education Data System)
Mason’s current operations have grown too lean. Coupled with rising costs of service delivery, this is not sustainable.
Mason budget scenarios approved in May
- $300 tuition increase
- 3% fee increase
- 3% blended room & board increase
- Baseline projects $41M E&G shortfall, with total Operating at $32M shortfall

Final Mason budget expected in Fall
- Pending Commonwealth budget
- BOV approval of any significant adjustments to approved scenarios
# FY24 Proposed Budget Scenarios: Operating*

<table>
<thead>
<tr>
<th>Cash basis ($Ms)</th>
<th>FY 2022 Actual</th>
<th>FY 2023 3Q Forecast with Masonvale</th>
<th>FY 2024 Proposed (Baseline)</th>
<th>FY 2024 Proposed (Worst)</th>
<th>FY 2024 Proposed (Best)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Tuition and Fees</td>
<td>466</td>
<td>489</td>
<td>512</td>
<td>504</td>
<td>508</td>
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<tr>
<td>State Appropriations</td>
<td>251</td>
<td>269</td>
<td>310</td>
<td>316</td>
<td>351</td>
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<tr>
<td>Grants &amp; Contracts</td>
<td>236</td>
<td>240</td>
<td>256</td>
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<tr>
<td>Auxiliary Enterprises</td>
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<td>250</td>
<td>257</td>
<td>257</td>
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<tr>
<td>Other Operating Revenue</td>
<td>13</td>
<td>21</td>
<td>17</td>
<td>17</td>
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<tr>
<td>Non-Operating Revenue:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Relief Funding</td>
<td>40</td>
<td>46</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>1,239</td>
<td>1,316</td>
<td>1,352</td>
<td>1,350</td>
<td>1,390</td>
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<tr>
<td><strong>Expenses</strong></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Salaries and Wages</td>
<td>526</td>
<td>595</td>
<td>634</td>
<td>645</td>
<td>645</td>
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<td>Fringe Benefits</td>
<td>149</td>
<td>168</td>
<td>186</td>
<td>189</td>
<td>189</td>
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<tr>
<td>Contractual Services</td>
<td>187</td>
<td>197</td>
<td>208</td>
<td>208</td>
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<tr>
<td>Travel</td>
<td>13</td>
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<td>Supplies</td>
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<tr>
<td>Equipment</td>
<td>23</td>
<td>20</td>
<td>21</td>
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<td>21</td>
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<tr>
<td>Capital Expenditures</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
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<tr>
<td>Scholarships &amp; Fellowships</td>
<td>168</td>
<td>164</td>
<td>182</td>
<td>182</td>
<td>182</td>
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<tr>
<td>Occupancy</td>
<td>46</td>
<td>44</td>
<td>45</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Transfers-Capital Projects/Debt</td>
<td>24</td>
<td>134</td>
<td>58</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1,161</td>
<td>1,372</td>
<td>1,384</td>
<td>1,400</td>
<td>1,400</td>
</tr>
<tr>
<td><strong>Margin</strong></td>
<td>78</td>
<td>(57)</td>
<td>(32)</td>
<td>(50)</td>
<td>(11)</td>
</tr>
<tr>
<td><strong>Balancing Mitigation Strategies</strong></td>
<td>-</td>
<td>57</td>
<td>32</td>
<td>50</td>
<td>11</td>
</tr>
<tr>
<td><strong>Adjusted Shortfall</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Takeaways</th>
</tr>
</thead>
<tbody>
<tr>
<td>• FY22 positive margin supported by COVID Funding and Debt Service relief</td>
</tr>
<tr>
<td>• Increasing compensation due to filling vacancies at market rate and adding staff to meet previous enrollment growth</td>
</tr>
<tr>
<td>• Stress on future budgets due to:</td>
</tr>
<tr>
<td>• Inflationary pressure</td>
</tr>
<tr>
<td>• Salary increases</td>
</tr>
<tr>
<td>• Limited tuition increases</td>
</tr>
<tr>
<td>• Expiration of relief funds</td>
</tr>
</tbody>
</table>

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* Operating includes the following funds: Education and General (E&G), Auxiliary Enterprises, Sponsored Research, Indirects, Financial Aid, Other Restricted and Unrestricted.
Operating Challenges & Difficult Decisions

- Mitigating operating shortfall
  - Slowed hiring & spending
  - Reduced spending
  - Reserves are not a sustainable option
- Exploring long term solutions and must make difficult decisions
  - Retirement incentives
  - Reorganizations and reductions
  - Resetting service models
  - Technology support
II. Pathways to Sustainability
Efficiency
- Aligning people and technology to improve effectiveness and efficiency

Diversification
- Real Estate Acquisitions
- Public Private Partnerships
- Requesting Cash Management

State Support
- Funding equity
Efficiency Initiatives

- Improving efficiency & effectiveness of operational infrastructure to enhance service delivery
- Alignment of people & technology through modernization
We are entering a period of continuous, iterative improvement.

Mason has historically underinvested in our infrastructure.

Modernizing our systems and processes can help build pathways to sustainability.
Aligning People + Technology

- Student Lifecycle Transformation
- Research Administration
- Learning Management System
- Realizing Banner Functionality
- Shared Services
- Performance Culture
- Telecom System
- Space Optimization
Modernize the student experience to better enable student success, generate a long-lasting sense of belonging and pride among our students, and improve retention and graduation rates.
Research Administration
RAMP

Integrated web-based system to support research through streamlined workflows, enhanced reporting, and improved compliance.
The Foundation for Progress
Chart of Accounts Redesign

Before: [Images of various accounting symbols]
Now: [Images of improved process flow]
Next:
- Additional Banner Functionality
- Future Budget Model
- Process Automation

*Improve the performance, accuracy and efficiency of Mason’s administrative infrastructure*
Revenue Diversification

Pursuit of additional revenue streams

- Real Estate Acquisitions
- Public Private Partnerships
- Requesting Cash Management
Capital Investment Opportunity

- Mitigate current shortfall while providing future flexibility and security
  - Revenue generating
  - Long-term strategic investment
- Forge strategic partnerships
  - West Campus development
- Leveraging existing cash reserves
  - Higher return on investment given limited cash management authority
  - Auxiliary land and building operations
  - Reduces debt while maintaining balance sheet strength for Mason and Commonwealth
**Capital Investment**

- **Masonvale**
  - Closed: June 15, 2023
  - Generates $3.5M annually
- **Lots 6 & 11**
  - Closed: April 6, 2023
  - Potential Development Opportunity
- **Lot 8**
  - Closing by fall 2023
  - Potential Development Opportunity
- **Vernon Smith Hall (VSH)**
  - Owner: GMU Foundation (GMUF)
  - Submitting due diligence to DPB
  - Will generate $10M annually
Requesting Cash Management

GMU Average Annual Balances At The State
(Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Auxiliary</th>
<th>Other State Funds</th>
<th>Auxiliary Cash FYE</th>
<th>Total Cash FYE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2019</td>
<td>$319</td>
<td>$238</td>
<td>$238</td>
<td>$426</td>
</tr>
<tr>
<td>FY2020</td>
<td>$389</td>
<td>$228</td>
<td>$228</td>
<td>$528</td>
</tr>
<tr>
<td>FY2021</td>
<td>$426</td>
<td>$257</td>
<td>$257</td>
<td>$528</td>
</tr>
<tr>
<td>FY2022</td>
<td>$528</td>
<td></td>
<td></td>
<td>$616</td>
</tr>
<tr>
<td>FY2023</td>
<td>$616</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Aux Interest Income: $5.6M $8.2M $4.3M $1.3M $11.9M
Effective Rate: 1.8% 2.1% 1.0% 0.3% 1.9%

Strategic accumulation of cash reserves held with the State are earning short-term rates.

With cash management, Mason could invest a portion in a diversified portfolio with longer duration for increased yield.

Additional revenue could mitigate the budget gap.
State Support

- Funding equity
Why Aren’t Mason Students Treated Equitably?
Mason is Accessible and Affordable.

FY23 In-State Undergrad Tuition

- W&M: $17,570
- UVA: $15,339
- VCU: $12,956
- VT: $12,289
- GMU: $9,795
- ODU: $7,257

Includes mandatory E&G Fees; Does not include mandatory auxiliary fees
Mason Students Get Less State Support.
FY23 State Appropriations Per Student

- W&M: $12,181
- UVA: $11,540
- VCU: $10,535
- ODU: $10,153
- GMU: $9,474
- VT: $8,077
NoVA Costs More.
Cost of Living

Mason is in the 5th most expensive region in the country

Source: Council for Community and Economic Research COLI Data
Slower appropriations growth has put Mason further behind over last decade

Mason per student vs peer median:
- FY13: $958 below
- FY23: $2,458 below

If Mason received funding equitable to our nearest peer, it would offset our operating shortfall by $35M

1 - FY23 Appropriation is preliminary from SCHEV. FY23 Student FTE is based on FY22 enrollment and will be updated in September 2023.
Mason is already the ________________

+ largest
+ most diverse
+ most innovative

public research university in Virginia
Mason delivers

+ more socioeconomic opportunity
+ more workforce ready grads
+ more talent importation

to Virginia
Without funding equity this may be unsustainable.
Just imagine how much more Mason would do with equitable funding.

Don’t treat us all together different.