

I. BENCHMARKING

Education & General Budget
Mason's National Peer Group of Institutions
Expenditures Per Student - FY 2009 Actual

Institution:	Total Expenditures	Total Enrollment	Expenditures Per Student
University of Connecticut	\$ 827.2	22,663	\$ 36,501
Boston University	1,038.1	30,779	33,727
George Washington University	661.9	20,450	32,367
Syracuse University	486.4	19,179	25,362
University of Louisville	429.4	17,421	24,649
University of Nevada - Reno	323.1	13,511	23,917
Indiana Univ-Purdue Univ-Indianapolis	615.4	26,634	23,104
SUNY at Buffalo	601.0	27,115	22,165
Northeastern University	513.6	23,539	21,820
Wayne State University	502.3	23,219	21,635
University of Maryland-College Park	698.0	32,584	21,421
University of Kansas Main Campus	525.4	25,764	20,393
Indiana University - Bloomington	747.3	39,002	19,161
SUNY at Albany	311.5	16,281	19,134
University of New Mexico - Main	412.1	21,739	18,958
University of Cincinnati - Main	474.3	26,274	18,051
University of Oklahoma Norman	388.9	22,114	17,585
University of Nebraska at Lincoln	331.3	20,984	15,788
University of Houston	459.0	29,765	15,420
Arizona State University - Tempe	892.3	58,818	15,172
University of Arkansas - Main	256.7	17,130	14,983
University of Missouri-Columbia	398.6	27,139	14,687
University of Memphis	240.7	16,767	14,357
University of Nevada - Las Vegas	338.8	24,040	14,093
Georgia State University	294.6	27,816	10,589
Peer Average	\$ 510.7	25,229	\$ 20,602
George Mason University	\$ 344.7	23,297	\$ 14,798
Mason % of Average	67%	92%	72%

In FY 2009, Mason operates spending 72% of its peer average spending level.

General Fund Per Full-Time Equivalent In-State Student at Virginia Doctoral Institutions

Institution:	FY 2011 Budget
University of Virginia	\$ 8,453
William & Mary	7,927
Virginia Tech	6,977
Virginia Commonwealth	6,727
Old Dominion	5,416
 Doctoral Average	 \$ 7,100
 George Mason University	 \$ 5,430
Mason % of Average	76.5%

If Mason received General Fund at the doctoral average, George Mason would receive an additional \$35M of General Fund Support.

Data Source: Executive Summary

GEORGE MASON UNIVERSITY GENERAL FUND SUPPORT FY 2002 – FY 2012

	Amount	In-State FTE	GF Support
FY 2002	\$ 112,855,516	16,150	\$ 6,988
FY 2003	\$ 97,639,963	17,423	\$ 5,604
FY 2004	\$ 90,593,048	18,199	\$ 4,978
FY 2005	\$ 100,043,208	18,627	\$ 5,371
FY 2006	\$ 109,963,325	18,905	\$ 5,817
FY 2007	\$ 127,035,672	18,942	\$ 6,707
FY 2008	\$ 137,605,572	18,936	\$ 7,267
FY 2009	\$ 130,577,141	19,341	\$ 6,751
FY 2010	\$ 111,310,588	20,382	\$ 5,461
FY 2011	\$ 114,789,000	21,140	\$ 5,430
FY 2012 Plan	\$ 103,635,000	21,606	\$ 4,797



31.4%

General Fund support per FTE student has decreased approximately \$2,200 per student since FY 2002. This is a 31.4% decrease in General Fund support over the past ten years.

TOTAL E&G RESOURCES PER FTE STUDENT FY 2009 – FY 2012

FY 2009	FY 2010	FY 2011	FY 2012 Est.	Total Chg
\$15,200	\$15,375	\$15,800	\$15,530	\$330
% chg	1.2%	2.8%	-1.7%	+2.2%



Mason continues to operate at approximately \$15,000 per FTE student during a period of time when nearly 2.5 million square feet of facilities have been added. This infrastructure expansion includes a 25% increase in E&G facilities.

II. TUITION & FEE CONTEXT

**VIRGINIA COLLEGES & UNIVERSITIES
ANNUAL IN-STATE, UNDERGRADUATE STUDENTS
TUITION & FEE INCREASES
FY 2006 – FY 2011**

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	\$ INCREASE FY06-FY11	% INCREASE FY06-FY11
VCU	\$5,385	\$5,819	\$6,196	\$6,779	\$7,117	\$8,817	\$3,432	63.73%
W&M	7,738	8,490	9,164	10,246	10,800	12,188	4,450	57.51%
VA TECH	6,378	6,973	7,397	8,198	8,605	9,589	3,211	50.34%
UVA	7,180	7,845	8,500	9,300	9,672	10,628	3,448	48.02%
MASON	5,880	6,408	6,840	7,512	8,024	8,684	2,804	47.69%
ODU	5,614	6,098	6,528	6,918	7,318	7,708	2,094	37.30%
DOCTORAL AVERAGE	6,363	6,939	7,438	8,159	8,589	9,602	3,240	50.92%

**IN-STATE TUITION & FEE INCREASES
TEN YEAR SNAPSHOT: FY 2001 – FY 2011**

	FY 2001	FY 2011	10-YEAR % CHANGE	AVERAGE ANNUAL
DOCTORAL AVERAGE	\$4,014	\$9,786	143.8%	9.3%
GEORGE MASON UNIVERSITY	3,768	8,684	130.5%	8.6%
MASON % OF AVERAGE	94%	89%		

**Mason's tuition & fee increases since both FY 2001 and
FY 2006 are less than the average increase of the
Virginia doctoral institutions.**

VIRGINIA COLLEGES & UNIVERSITIES
IN-STATE, UNDERGRADUATE STUDENTS
TOTAL PRICE INCREASES, FY 2010 – FY 2011

SCHOOL	FY 2010	FY 2011	\$ INCREASE FY10 – FY11	% INCREASE FY10 – FY11
W&M	\$19,302	\$20,872	\$1,570	8.10%
VMI	17,982	19,460	1,478	8.20%
UVA	17,962	19,280	1,318	7.30%
CNU	17,090	18,590	1,500	8.80%
LONGWOOD	16,521	17,969	1,448	8.80%
GEORGE MASON	16,674	17,654	980	5.90%
VCU	15,452	17,343	1,891	12.20%
JMU	14,934	15,880	946	6.30%
VA TECH	14,559	15,879	1,320	9.10%
UMW	14,574	15,874	1,300	8.90%
UVA-WISE	14,518	15,752	1,234	8.50%
ODU	14,844	15,610	766	5.20%
RADFORD	13,874	14,998	1,124	8.10%
VSU	14,224	14,722	498	3.50%
NSU	13,201	13,849	648	4.90%
AVERAGE	\$15,714	\$16,915	\$1,201	7.60%

VIRGINIA COLLEGES & UNIVERSITIES
OUT OF-STATE, UNDERGRADUATE STUDENTS
TOTAL PRICE INCREASES, FY 2010 – FY 2011

SCHOOL	FY 2010	FY 2011	\$ INCREASE FY10 – FY11	% INCREASE FY10 – FY11
W&M	\$39,466	\$42,448	\$2,982	7.60%
UVA	39,962	42,226	2,264	5.70%
VMI	35,530	37,452	1,922	5.40%
GEORGE MASON	32,658	34,418	1,760	5.40%
VCU	29,084	30,475	1,391	4.80%
VA TECH	27,702	29,507	1,805	6.50%
ODU	27,294	29,050	1,756	6.40%
UVA-WISE	27,046	28,874	1,828	6.80%
LONGWOOD	25,821	28,769	2,948	11.40%
JMU	27,066	28,644	1,578	5.80%
UMW	26,302	27,602	1,300	4.90%
CNU	25,032	27,332	2,300	9.20%
NSU	25,260	26,902	1,642	6.50%
RADFORD	23,538	25,730	2,192	9.30%
VSU	22,558	23,288	730	3.20%
AVERAGE	\$28,955	\$30,848	\$1,893	6.60%

**GEORGE MASON UNIVERSITY
5-YEAR COMPARISON
SUMMER AND FALL TUITION & FEE INCREASES
FY 2006 – FY 2011**

IN-STATE UNDERGRADUATE

SEMESTER	ANNUAL RATE	% CHANGE	SEMESTER	ANNUAL RATE	% CHANGE
Summer, 06	\$6,348	7.96%	Fall, 06	\$6,408	8.98%
Summer, 07	6,840	6.74%	Fall, 07	6,840	6.74%
Summer, 08	7,524	10.00%	Fall, 08	7,512	9.82%
Summer, 09	8,076	7.67%	Fall, 09	8,024	6.82%
Summer, 10	8,648	8.00%	Fall, 10	8,684	8.20%
Summer, 11	9,042	7.00%	Fall, 11	TBD	

Summary: Summer tuition & fee increases normally reflect the tuition & fee rates approved for the Fall semester.

HAVE ANY OTHER SCHOOLS ALREADY ANNOUNCED THEIR FY 2012 TUITION AND FEE INCREASE?

	TUITION	FEES	SUBTOTAL	R&B	TOTAL
University of Virginia	10.6%	2.8%	8.9%	4.4%	6.9%
James Madison University	11.0%	3.5%	7.5%	4.0%	5.8%
Old Dominion University	7.0%	3.5%	5.7%	4.0%	4.8%
Mary Washington University	11.0%	TBD	TBD	TBD	TBD

These increases are totally consistent with the information provided in an informal survey.

III. BUDGET DEVELOPMENT

GEORGE MASON UNIVERSITY BUDGET PRIORITIES – E&G BUDGET FY 2012

The FY 2012 E&G Budget contains the following funding:

- Compensation improvement for employees
- \$850K Library materials
- \$3M STEM Program enhancement and expansion funding
- \$4.15M Operating & Maintenance expense for new E&G buildings
- \$1.5M unit program support and new initiative funding
- \$850K CISCO technology initiative
- \$4.10M New Enrollment Growth Funding (academic and non-academic)
- \$500K increase in Development (Capital Campaign support)
- \$1.5M increase to undergraduate and graduate financial aid

These items have been institutional priorities and represent major drivers of the estimated \$22M E&G budget increase.

BUDGET STRATEGY TO FUND HIGHEST PRIORITIES AND OVERCOME FUNDING CLIFF

➤ Funding Cliff (ARRA & GF)	(\$35.9M)	
➤ Highest Unfunded Priorities	<u>(\$22.2M)</u>	
TOTAL		(\$58.1M)
➤ Strategy		
✓ Budget Reductions/Reallocations	\$18.5M	
✓ Bridge Funding	\$11.6M	
✓ Commonwealth of Virginia*	\$ 9.1M	
✓ Other Revenue Enhancements	\$ 2.4M	
✓ Tuition Increase	<u>\$16.5M</u>	
TOTAL		\$58.1M

Balanced Budget

\$ -0-

The strategy of budget reductions, support from the state and bridge funding allows Mason to reduce its projected tuition increase of 11.9% (August, 2010) to approximately 6.8%.

*Commonwealth of Virginia amount does not include the increased \$1.2M In-State Undergraduate Financial Aid

FY 2012 Operating Budget: Highest Unfunded Priorities (partial)

<u>Item</u>	<u>Description/Impact</u>	<u>Amount</u>
Reduce unmet financial need	<i>To reduce unmet undergraduate financial need via grant funds would require \$1.53 million per 1% reduction in unmet need. Currently 24.83% of financial need is unmet. Funding for a reduction in unmet need to 21.83% is shown.</i>	\$4,588,541
Graduate Stipends	<i>Mason significantly underfunds graduate assistantships and does not fund a sufficient number of assistantships to appropriately support its doctoral programs. research programs are conducive to recruiting and retaining top faculty who rely on graduate students for research productivity.</i>	\$2,750,000
Strengthening spires of excellence	<i>Spires of excellence, such as the law school, would be strengthened if additional resources were available.</i>	\$500,000
Selective class size reductions	<i>Would provide the ability to take action on overly large classes that impact student performance.</i>	\$5,800,000
Research infrastructure support	<i>Includes computing and programming support, technology transfer, library resources, grantwriting, and other research needs.</i>	\$2,500,000
Emergency management and COOP	<i>Meets ten COOP priorities for IT systems (payroll, admissions, electronic keys, online instruction, etc. Includes</i>	\$1,700,000
Advising, counseling, EAP	<i>These services are in greater need each as students, faculty and staff deal with stresses of work-life issues during turbulent economic times. [Increased financial-family stress]</i>	\$750,000
Institutional marketing/branding	<i>The institution continues to compete for the best students and faculty, for which image and reputation are critical to future success.</i>	\$500,000

FY 2012 Operating Budget: Highest Unfunded Priorities (partial)

<u>Item</u>	<u>Description/Impact</u>	<u>Amount</u>
Competitive compensation requirements (e.g., TSD)	<i>Due to the high demand for IT professionals in the region, the ITU is being raided, losing ten technical people recently due to salary gaps of \$20,000 and more. Brings salaries up to the median for just the 25% most highly skilled people in TSD.</i>	\$1,000,000
Reduce deferred maintenance backlog	<i>Replaces \$1.4M reduced funding from state and adds additional deferred maintenance capacity. Additional \$1M annually to reduce backlog.</i>	\$2,500,000
Graduate Student Services	<i>Establishes graduate student center; professional development; programs that integrate graduate students (and their families) into campus community; support participation in professional conferences and other graduate student services.</i>	\$500,000
Increase Student Jobs on Campus	<i>Increase pool of student wage funds; increase quality learning experience associated with on-campus jobs</i>	\$730,000
Student Safety and Environmental Health	<i>Refine and improve systems and procedures in place to identify students of concern; increase staff consistent with increase in student population, residential population. Continue to respond effectively to student need for health professionals</i>	\$1,480,000
Special Student Populations / Retention	<i>Focused programming and retention efforts targeted at first generation college students; students living off-campus; international students; out-of-state students; students participating in living-learning communities</i>	\$300,000
Directional signage throughout the campus	<i>ADA improvements, required as infrastructure, change pattern of pedestrian and vehicular travel.</i>	\$750,000

\$26,348,541

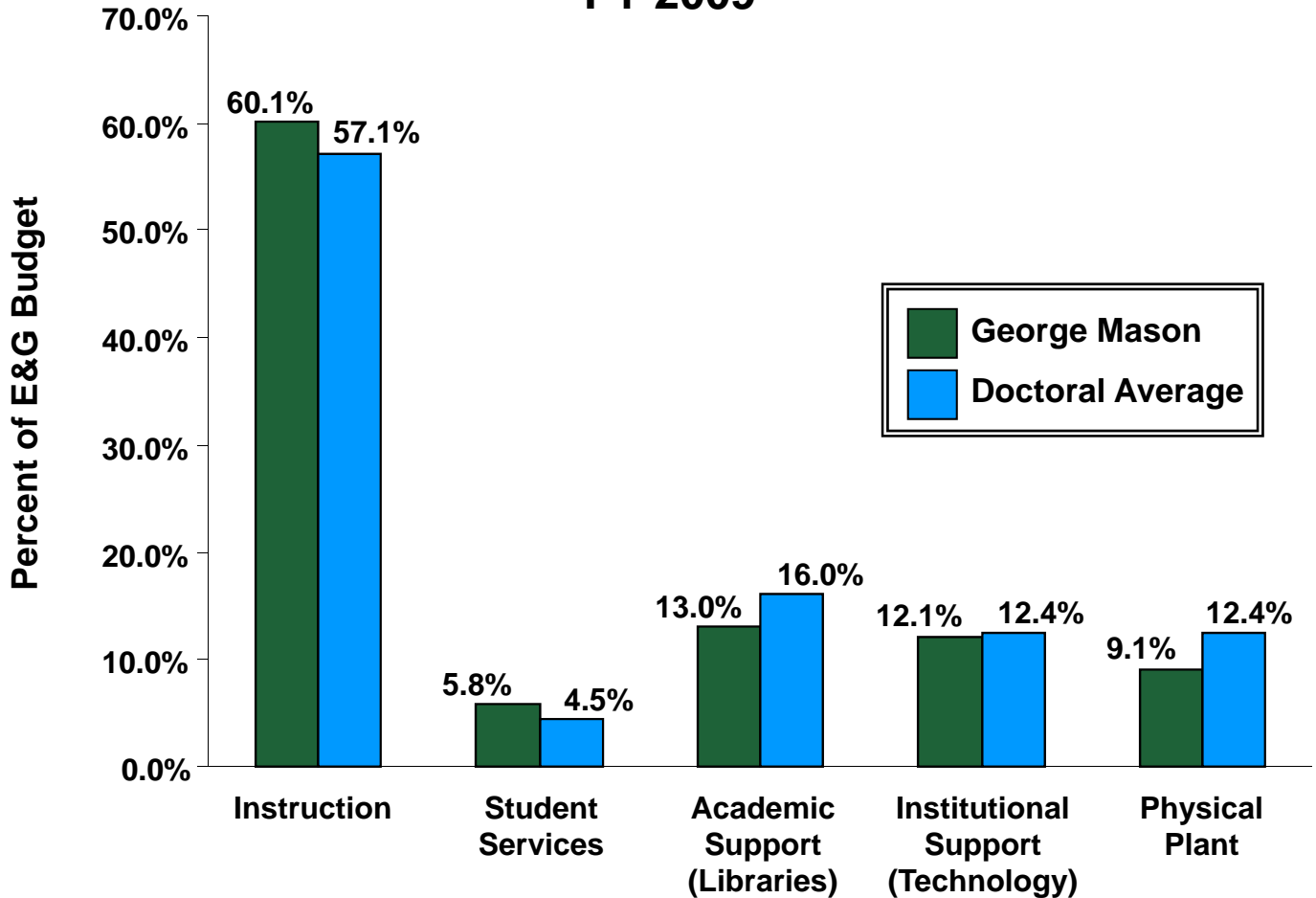
**DEVELOPING A SUSTAINABLE BUDGET MODEL
PROJECTIONS OF REVENUES, EXPENSES AND BRIDGE
FUNDING, FY 2011 – FY 2014**

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Carry-Forward from Prior Year	\$	\$21.6	\$10.0	\$2.1
Revenue	\$406.3	\$394.8	\$418.9	\$450.7
Expenses	384.7	406.4	426.8	452.8
<u>Net Balance</u>	<u>\$21.6</u>	<u>\$10.0</u>	<u>\$2.1</u>	<u>\$(0.0)</u>

The Mason Budget Model represents a sustainable plan with projected total annual E&G budget increases of approximately 5-6% through FY 2014.

During this same time period, Mason assumes moderate student enrollment growth; additional E&G facilities; faculty/staff salary increases and funding of the highest institutional priorities.

VIRGINIA DOCTORAL INSTITUTIONS E&G PROGRAM ALLOCATION FY 2009



George Mason allocates significantly more of its available E&G resources to Instruction than the average of Virginia doctoral institutions.

George Mason University
E&G Operating Budget Growth Since FY 2006 - Expense by Type

Program	FY 2006 Actual	FY 2010 Actual	% Chg
Instructional Faculty Costs	101,674,000	128,258,000	26.1%
Other Personnel	70,837,000	94,251,000	33.1%
Wages/Students Wages	9,066,000	9,787,000	8.0%
Fringe Benefits	44,556,000	56,095,000	25.9%
<i>Subtotal Personnel</i>	<i>226,133,000</i>	<i>288,391,000</i>	<i>27.5%</i>
No- Personnel (Top 12)			
Library Books & Materials	6,691,000	9,244,000	38.2%
Skilled Services	8,517,000	7,425,000	-12.8%
Utilities	5,052,000	5,892,000	16.6%
Equipment	8,322,000	8,587,000	3.2%
Rental-Buildings & Structure	3,309,000	5,589,000	68.9%
Repair & Maintenance Services	3,318,000	5,178,000	56.1%
Computer & Technical Services	3,770,000	4,868,000	29.1%
Travel (recruiting, prof dev, training, etc.)	5,015,000	4,334,000	-13.6%
Capital - Building Construction	1,409,000	3,810,000	N/A
Supplies	3,613,000	3,492,000	-3.3%
Telecommunications	2,134,000	2,393,000	12.1%
Insurance	957,000	1,214,000	26.9%
Other	978,000	472,000	N/A
<i>Subtotal Non-Personnel</i>	<i>53,085,000</i>	<i>62,498,000</i>	<i>17.7%</i>
Total	\$ 279,218,000	\$ 350,889,000	25.7%

Mason operating expenses have grown by 25.7% during this period, or an average annual growth of 5.9%. During this time, student enrollment has grown by 2,200 FTE student or 10% and Mason has more than doubled its physical plant.

**WHAT ACTIONS WOULD BE REQUIRED
TO SAVE ANOTHER \$5M TO BALANCE
THE E&G BUDGET WITH A 5% TUITION
AND FEE INCREASE?**

1. Reduce 60-80 FTE positions – 30-40 Faculty and 30-40 Staff
2. Eliminate the institutional reserves which will provide a savings of \$6.0M
3. Eliminate funding for compensation adjustments for Faculty and Staff which will provide \$5.7M
4. Eliminate most or all of the institutional funded student financial aid (\$7.0M)

PROJECTED IMPACT UPON THE UNIVERSITY

Fewer Classes & Larger Classes

Less Technology in Classroom

Decreased Institutional Capacity

Increased Deferred Maintenance

Graduation Rate Reduction

Decreased Faculty & Staff Retention

Fewer Co-Curricular Activities

Lower Student Retention

Less Student Assistance, Advice & Counseling Support

Less Timely Responsiveness – Support Services

Insufficient Contingency Funding

IV. STAFF RECOMMENDATIONS

**STAFF RECOMMENDATION
TOTAL PRICE**

In-State

	FY11	FY12	% Chg	FY13	% Chg	FY14	% Chg
Tuition	\$ 6,320	\$ 6,752	6.8%	\$ 7,210	6.8%	\$ 7,700	6.8%
Fee	2,364	2,514	6.3%	2,666	6.0%	2,826	6.0%
Room	6,170	6,480	5.0%	6,740	4.0%	7,010	4.0%
Board	2,800	2,920	4.3%	3,037	4.0%	3,158	4.0%
Total	\$ 17,654	\$ 18,666	5.7%	\$ 19,653	5.3%	\$ 20,694	5.3%

Out-of-State

	FY11	FY12	% Chg	FY13	% Chg	FY14	% Chg
Tuition	\$ 23,084	\$ 24,230	5.0%	\$ 25,430	5.0%	\$ 26,690	5.0%
Fee	2,364	2,514	6.3%	2,666	6.0%	2,826	6.0%
Room	6,170	6,480	5.0%	6,740	4.0%	7,010	4.0%
Board	2,800	2,920	4.3%	3,037	4.0%	3,158	4.0%
Total	\$ 34,418	\$ 36,144	5.0%	\$ 37,873	4.8%	\$ 39,684	4.8%

The Mason Five-Year Budget Model projects future year price increases that are equal to, or less than, the price increase of FY 2012. The University Budget Model maintains access and affordability, but additional resources are required to achieve academic excellence as well as many of the goals and objectives included within the BOV-approved strategic plan.

COMPARISON OF MASON AND OTHER VIRGINIA DOCTORAL INSTITUTIONS FY 2012 RATE CHANGES

	TUITION	FEES	SUBTOTAL	R&B	TOTAL
University of Virginia	10.6%	2.8%	8.9%	4.4%	6.9%
James Madison University	11.0%	3.5%	7.5%	4.0%	5.8%
Old Dominion University	7.0%	3.5%	5.7%	4.0%	4.8%
Mary Washington University	11.0%	TBD	TBD	TBD	TBD
George Mason University	6.8%	6.3%	6.7%	4.7%	5.7%

The search for increased revenue opportunities and improved operational effectiveness & efficiency continues. Realized improvements in the budget will be allocated to the highest unfunded institutional priorities and/or utilized to lessen future price increases.