

**GEORGE MASON UNIVERSITY**

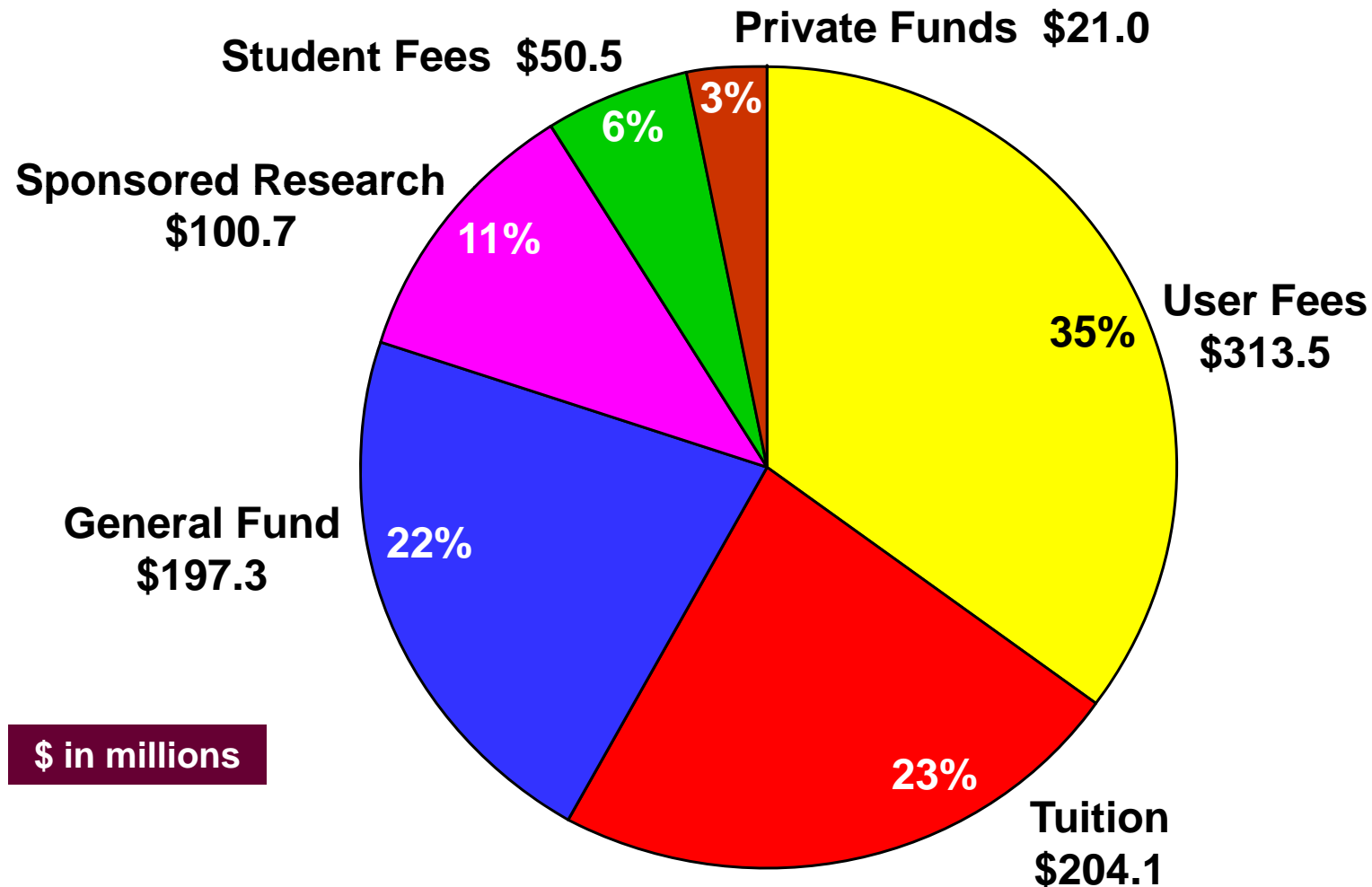
**BUDGET UPDATE**



**Town Hall Budget Forum**  
**September 29, 2009**

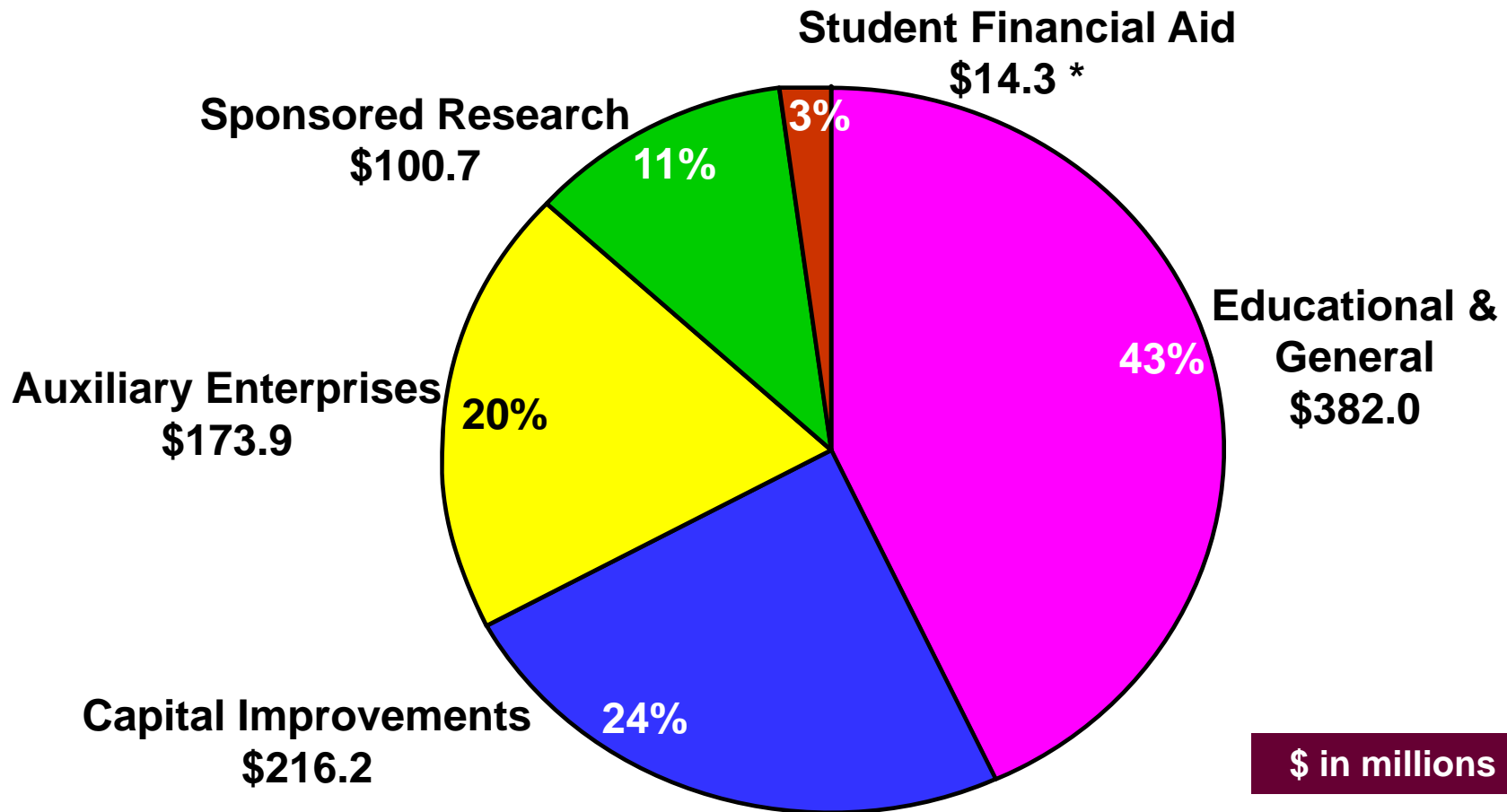
# TOTAL BUDGET OVERVIEW

**2009-10 REVENUE BUDGET \$887,117,600**



# TOTAL BUDGET OVERVIEW

**2009-10 OUTLAYS \$887,117,600**



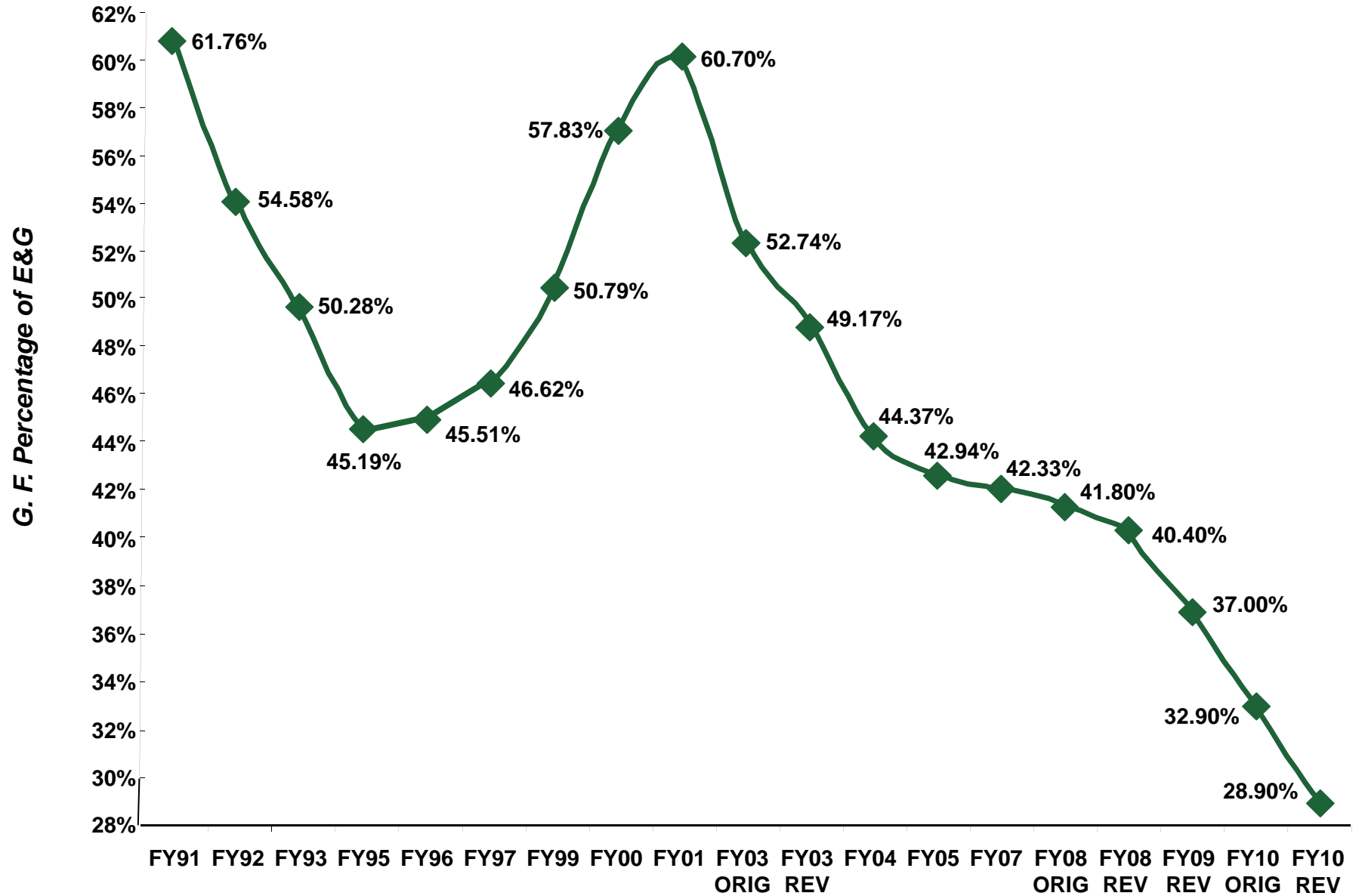
\* State Funded Student Financial Aid

# FUNDING CHANGE IN HIGHER EDUCATION

## GEORGE MASON UNIVERSITY GENERAL FUND BUDGET REDUCTION HISTORY

| DATE                | GF REDUCTION   | PERCENT    |
|---------------------|----------------|------------|
| FY08                | \$6.8M         | 5%         |
| FY09                | 9.7M           | 7%         |
| FY10                | 11.2M          | 8%         |
| FY10 September 2009 | 17.6M          | 15%        |
| <b>Total</b>        | <b>\$45.3M</b> | <b>35%</b> |

# GENERAL FUND % OF SUPPORT TREND ANALYSIS



# **BUDGET REDUCTION MESSAGE MOVING FORWARD**

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- **Remain Committed to Unit Empowerment**
- **Institutional Commitment to Classroom Learning Quality**
- **Unit Budget Reduction Strategies Primarily Delegated**
- **Some Targeted Budget Reduction Decisions Will Also Be Made Centrally**
- **Strategies Executed in Collaborative Manner**
- **Budget Reduction Strategies Will Combine Short Term and Long Term Tactics**
- **Total University Commitment to Alternative Net Income Generating Strategies**

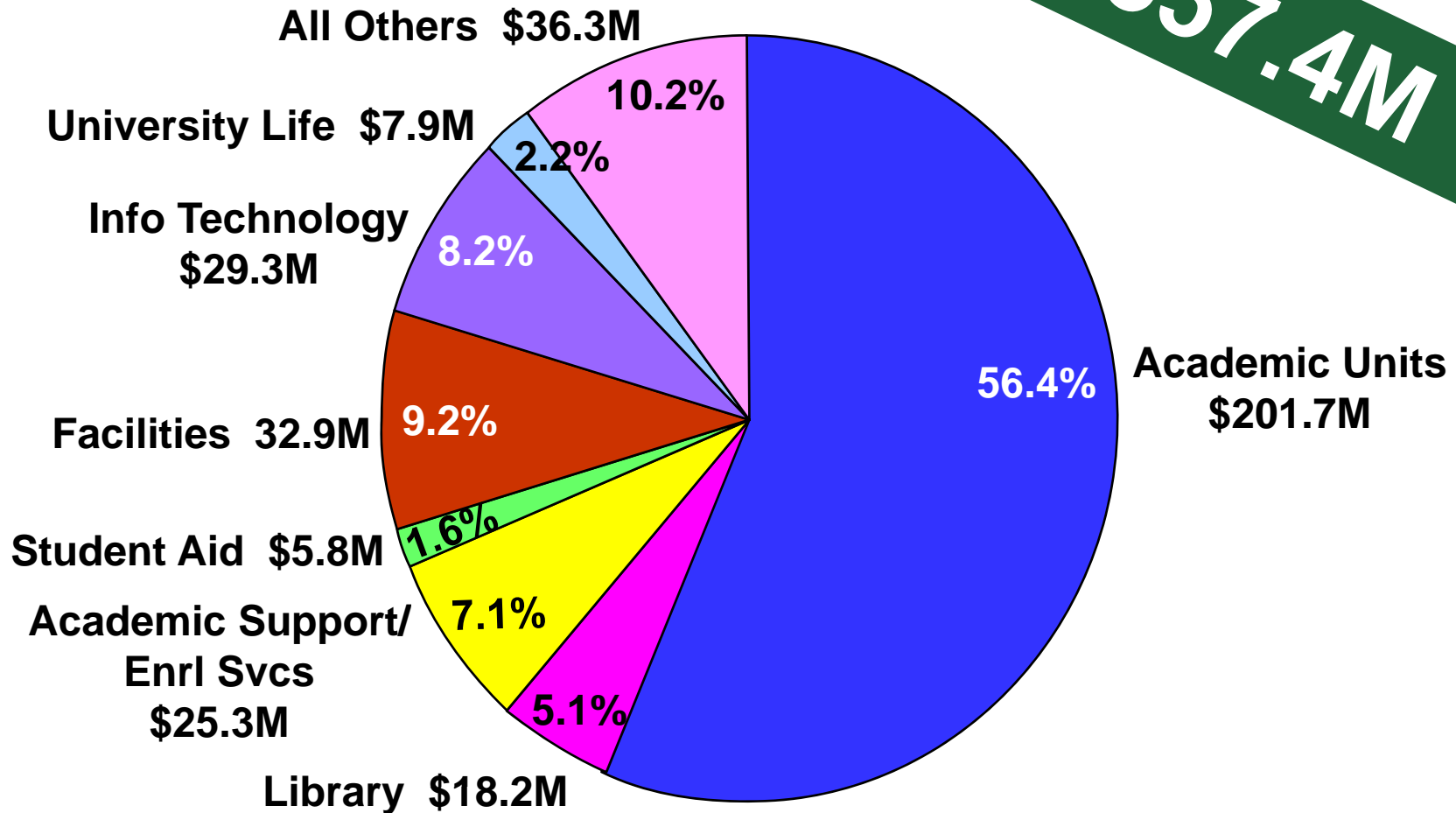


# BUDGET REDUCTION STRATEGIES FY 2010

| TARGET                                           | 15%<br>\$17.6M      | NOTES                                        |
|--------------------------------------------------|---------------------|----------------------------------------------|
| New ARRA Funds                                   | \$8,600,000         | One-time Funding in FY10                     |
| Additional Tuition Revenue – Enrollment Increase | \$2,500,000         | Enrollment Beyond Original Target            |
| Additional Funds from Other Sources/New Revenue  | \$500,000           |                                              |
| Reduce Utilities Budget                          | \$700,000           |                                              |
| Remaining Budget Reductions                      | \$5,300,000         | Budget reductions not made across-the-board. |
|                                                  |                     |                                              |
|                                                  |                     |                                              |
| <b>TOTAL</b>                                     | <b>\$17,600,000</b> |                                              |

# E&G BUDGET BY PROGRAM FY 2010

**\$357.4M**





# STRATEGY TO ABSORB THE REDUCTION

- Reduce Instructional Units and Library
- Less Than Administrative Units
- Instructional Units            1.5%
- Administrative Units        1.7% & 2.0%
- No Mid-Year Tuition Increase
- Limit Allocation of Enrollment Growth (Beyond Target) Tuition Revenue
- Protect Institutional Reserve (\$5.3M)

# GEORGE MASON UNIVERSITY BUDGET OVERVIEW - FY2010

## COMMONWEALTH OF VIRGINIA OTHER STATEWIDE BUDGET REDUCTIONS

- **One Unpaid Day (Furlough) (\$1.0M)**
- **Eminent Scholar Funding (\$80,000)**
- **Defer Interest Earnings (FY Delay)**
- **Reduce VRS Employer Contribution (??)**

# GEORGE MASON UNIVERSITY FURLOUGHS & RETIREMENT

## FURLOUGH:

- State has announced the one-day of unpaid leave (*furlough*) for all “State Employees”
- All salaried employees in the Executive Branch Agencies regardless of source of funds supporting the positions
- Institutions of higher education are to manage the furlough requirement in a manner that causes no disruption in classes
- Employees whose positions are funded by grants or other special fund sources are subject to the furlough

# GEORGE MASON UNIVERSITY FURLOUGHS & RETIREMENT

## FURLOUGH:

- Outcome of the furlough will result in a loss of pay equivalent to 8 hours
- Agencies are not allowed to implement additional furloughs to address budgetary problems

**As information becomes available, it will be shared with the Mason community.**

## “THE RICHMOND ASK”

### INVEST:

- Base Budget Operating Resources
- Enrollment Growth Funding
- Competitive Compensation
- Student Financial Assistance

### RETURN:

- Access, Quality, Affordability
- Degrees, Workforce Demand, Economic Development

# GEORGE MASON UNIVERSITY NEXT STEPS

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- **CONTINUE DIALOGUE**
- **MORE TOWN HALL MEETINGS**
  - **Faculty, Staff & Students**
  - **External Communities**
- **SEEK INPUT; REFINE STRATEGIES**
- **MAINTAIN FOCUS / CONCENTRATE ON CORE**

**BUDGET DECISION TRANSPARENCY**

***"FACTS DO NOT CEASE TO EXIST BECAUSE THEY ARE IGNORED."  
~ Aldous Huxley***

***"THE ART OF LEADERSHIP IS SAYING NO, NOT YES. IT IS VERY EASY TO SAY YES."  
~ Tony Blair***

***"UNDOUBTEDLY YOU HAVE MASTERED SAYING YES. START PRACTICING "NO." YOUR GOALS DEPEND ON IT."  
~ Paul Canfield***

***"Most discussions of decision making assume that only...senior executives' decision making matters. That is a dangerous mistake."  
~ Peter Drucker***

***"Character is one factor that will guide all our actions and decisions. Our investment in uncompromising integrity...helps us take difficult stands in the worst difficult business situation."  
~ Azim Premji***