

MASON PROFILE, PRIORITIES & BUDGET STRATEGIES

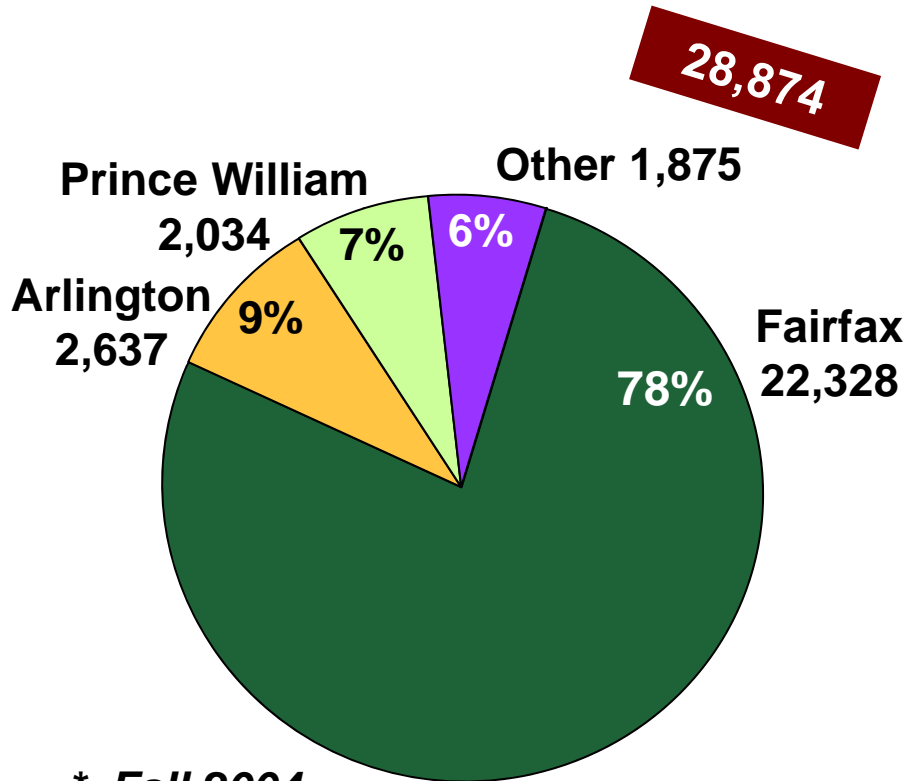
**President's Council, BOV & BOT
Planning Session
August 19, 2010**



Where Innovation Is Tradition

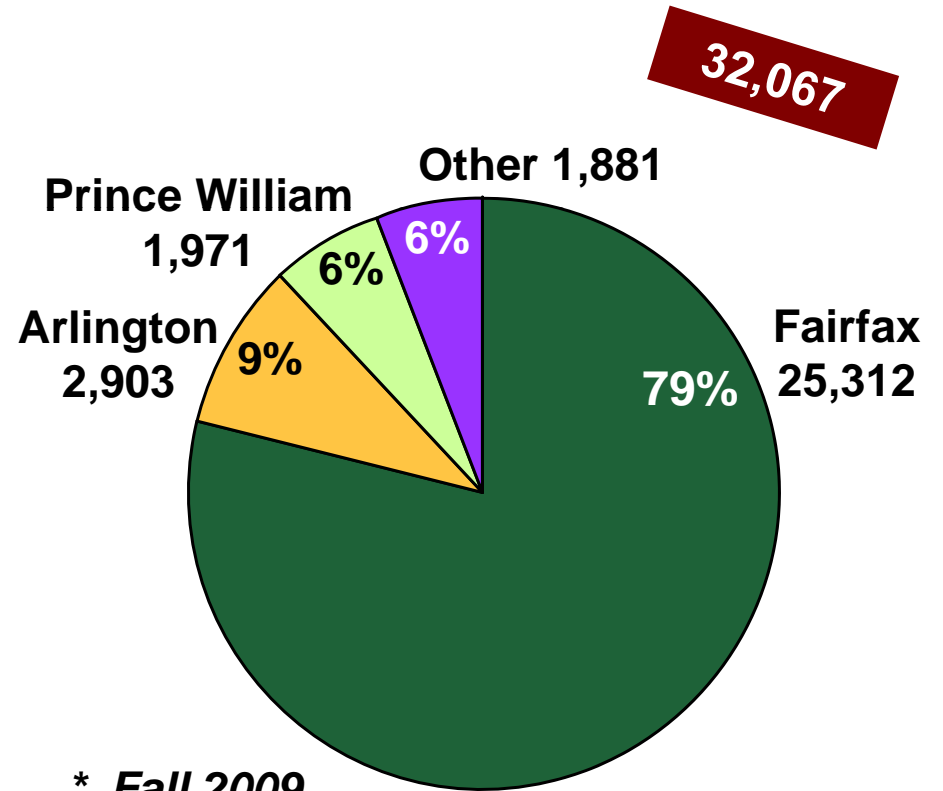
HEADCOUNT ENROLLMENT BY CAMPUS 2005 and 2010

**REGIONAL CAMPUS ENROLLMENT
BY CAMPUS 2005***



* Fall 2004

**REGIONAL CAMPUS ENROLLMENT
BY CAMPUS 2010***

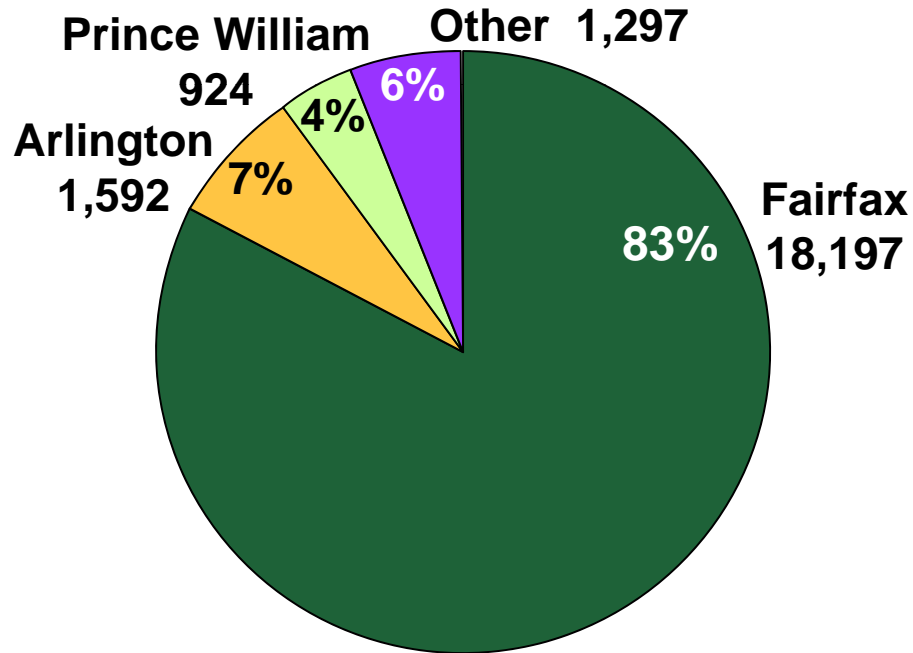


* Fall 2009

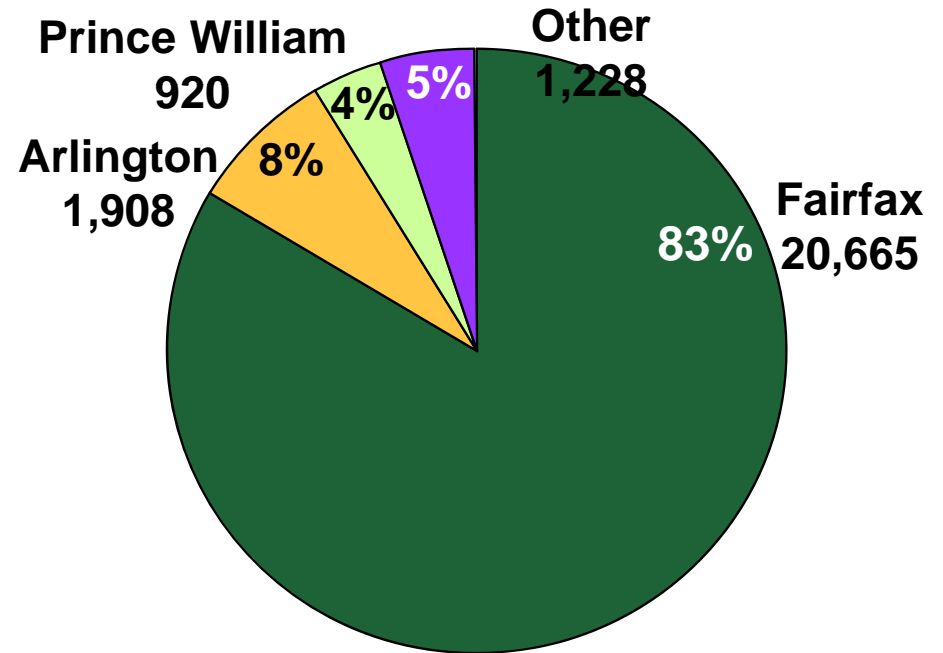
Growth of nearly 3,200 headcount (or a cumulative growth of 11%) over the past five years.

FULL-TIME EQUIVALENT BY CAMPUS 2005 and 2010

**FULL-TIME EQUIVALENT
BY CAMPUS FY 2005**
22,010



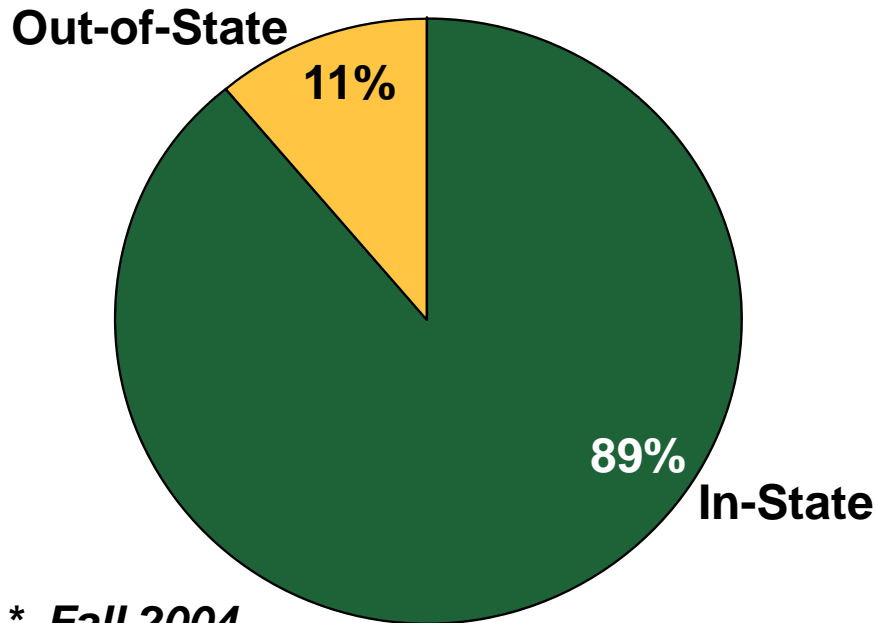
**FULL-TIME EQUIVALENT
BY CAMPUS FY 2010**
24,721



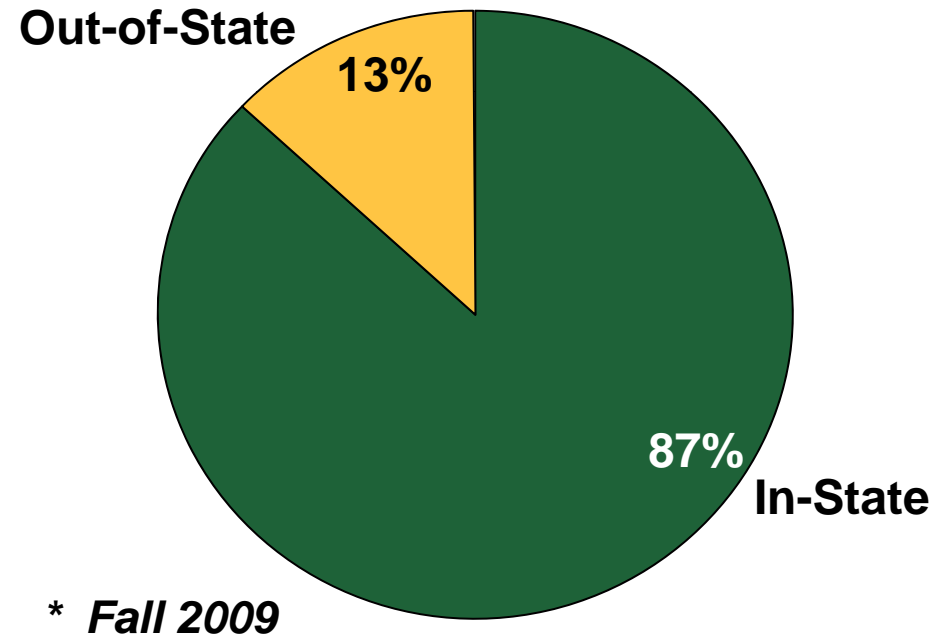
Growth of nearly 1,600 FTE (or a cumulative growth of 7%) over the past five years.

UNDERGRADUATE ENROLLMENT BY DOMICILE 2005 and 2010

UNDERGRADUATE ENROLLMENT BY DOMICILE 2005*



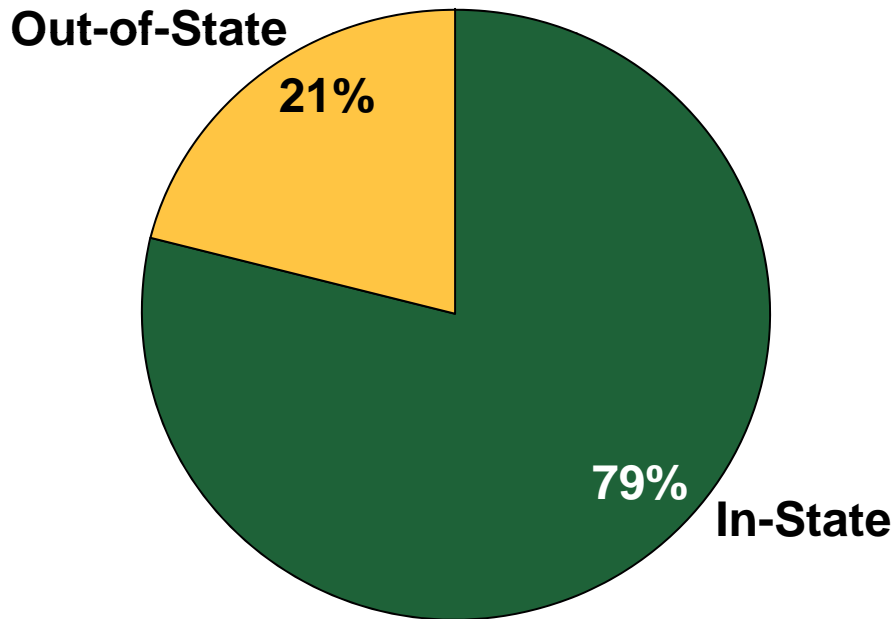
UNDERGRADUATE ENROLLMENT BY DOMICILE 2010*



Movement toward higher percentage of out-of-state undergraduates due primarily to an incoming class of first-time freshmen that are approximately 19-23% out-of-state.

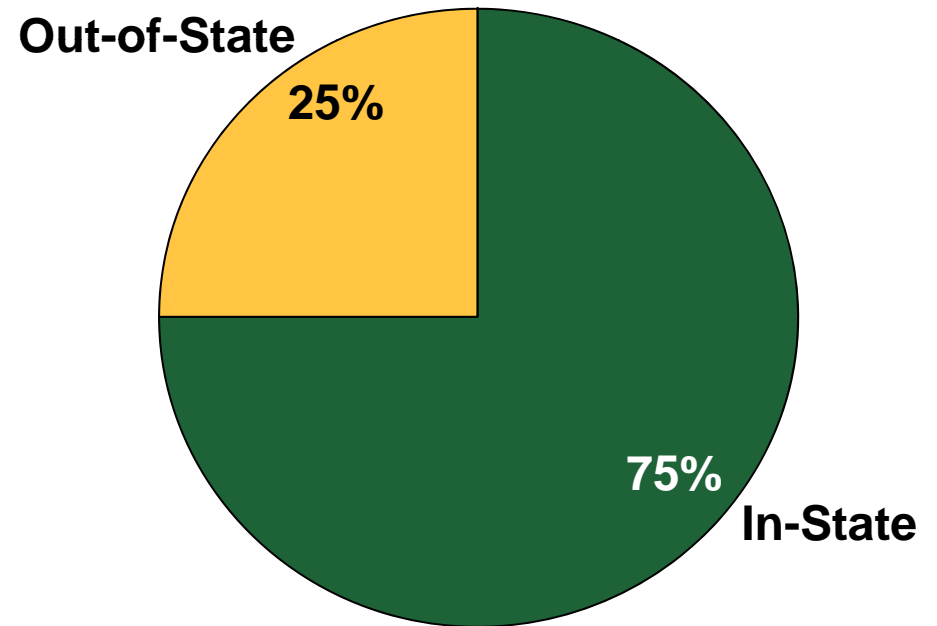
GRADUATE ENROLLMENT BY DOMICILE 2005 and 2010

**GRADUATE
ENROLLMENT BY DOMICILE
2005***



* Fall 2004

**GRADUATE
ENROLLMENT BY DOMICILE
2010***



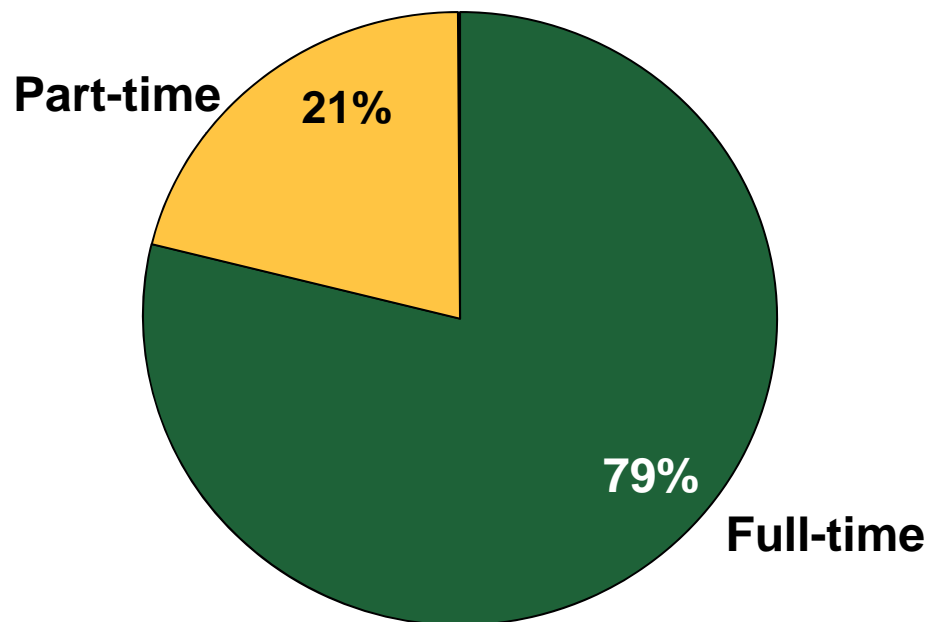
* Fall 2009

The shift toward out-of-state continues

DEGREE-SEEKING ENROLLMENT BY COURSE LOAD, 2010*

UNDERGRADUATE

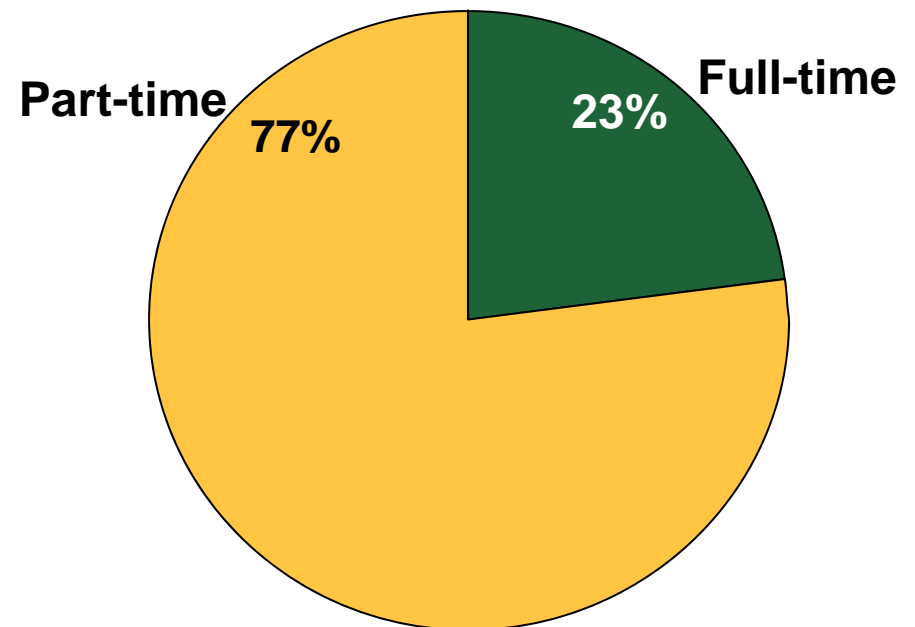
19,130



* Fall 2009

GRADUATE

9,817



- *About 2/3 of the student enrollment is undergraduate*
- *The FT/PT split of students is almost perfectly “flip-flopped” between undergraduate and graduate students*

WHAT'S HAPPENING THIS FALL? STUDENT ENROLLMENT ESTIMATE

STUDENT ENROLLMENT GEORGE MASON UNIVERSITY

ACTUAL 2009 - 2010			ESTIMATE 2010 – 2011		
HEADCOUNT (Total)		32,067	HEADCOUNT (Total)		33,400
Undergraduate	19,702		Undergraduate	20,400	
Graduate	12,365		Graduate	13,000	
ANNUALIZED FTE		24,733	ANNUALIZED FTE		25,800
Undergraduate	17,883		Undergraduate	18,500	
Graduate	6,850		Graduate	7,300	

The University currently estimates a student FTE enrollment growth of approximately 4.3%. This is significantly beyond the projected FTE enrollment of 24,900. Significant retention improvement, increase in course-taking load, new graduate programs, etc.

FIRST-YEAR RETENTION RATE COMPARISONS 2004 AND 2008 COHORTS

Nice Improvement

Baccalaureate First-Year Retention Rate Comparisons: Peers and VA Doctoral Institutions

Institution Name	Retention Rate (%) 2004 Cohort *	Retention Rank	Retention Rate (%) 2008 Cohort *	Retention Rank
Peer Institutions				
George Mason University	82%	13	85%	9
Peer Institution Average	82%		83%	
Virginia Doctoral Institutions				
George Mason University	82%	4	85%	4
College of William and Mary	95%	2	95%	2
Old Dominion University	77%	6	80%	6
University of Virginia-Main Campus	97%	1	97%	1
Virginia Commonwealth University	80%	5	83%	5
Virginia Polytechnic Institute and State University	88%	3	91%	3
Virginia Doctoral Institutions Average	87%		89%	

*IPEDS, Fall Enrollment; for entering student cohorts entering as full-time, first-time, degree-seeking freshmen.

SIX-YEAR GRADUATION RATE COMPARISONS 1999 AND 2003 COHORTS

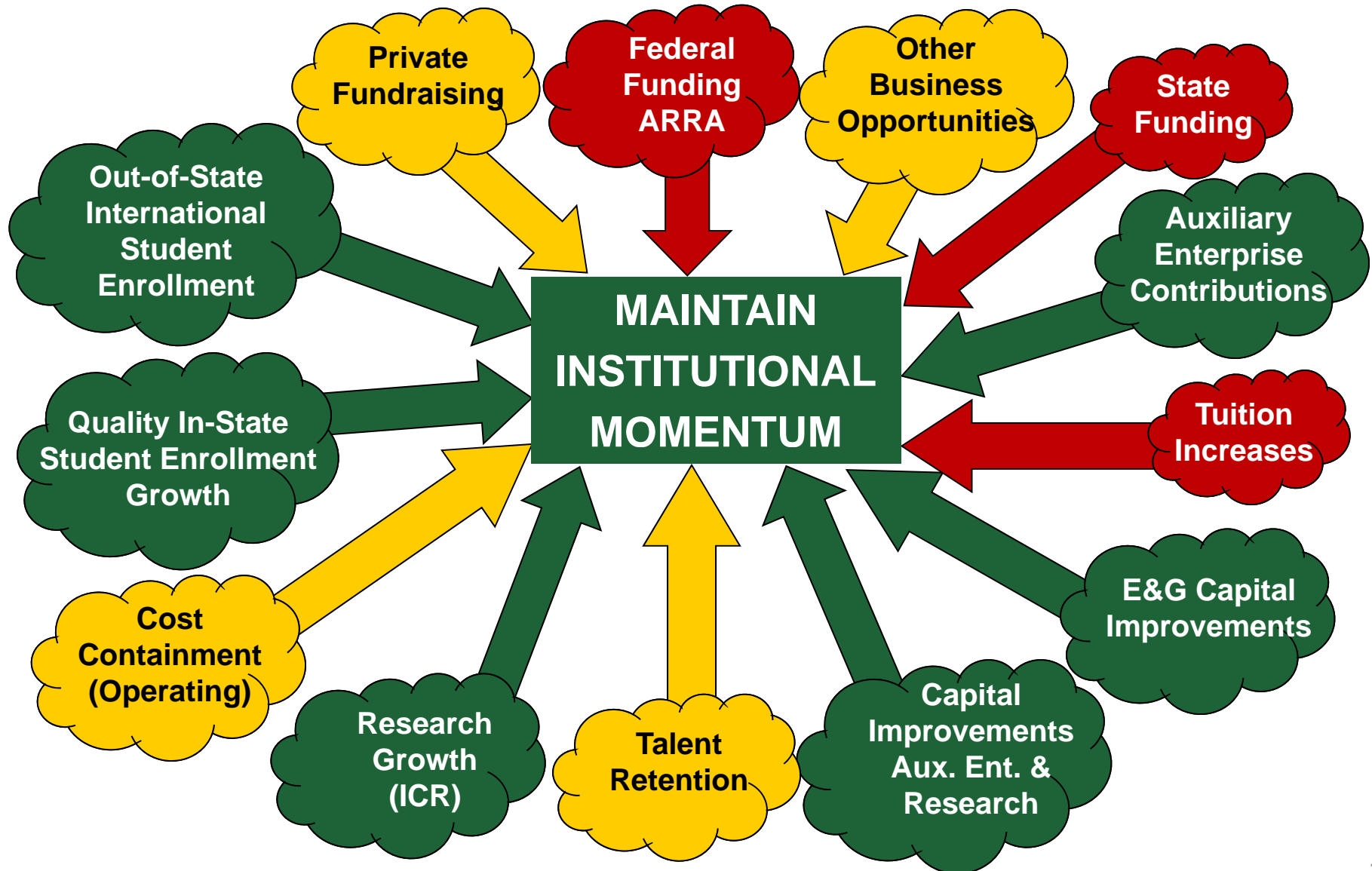
Significant Improvement

Baccalaureate Six-year Graduation Rate Comparisons: Peers and VA Doctoral Institutions

	Graduation Rate (%) 1999 Cohort*	Graduation Rate Rank	Graduation Rate (%) 2003 Cohort*	Graduation Rate Rank
Peer Institution Comparisons				
George Mason University	53%	16	64%	10
Peer Institutions Average	55%		59%	
Virginia Doctoral Institution Comparisons				
George Mason University	53%	4	64%	4
College of William and Mary	91%	2	91%	2
Old Dominion University	48%	5	51%	5
University of Virginia-Main Campus	93%	1	93%	1
Virginia Commonwealth University	43%	6	50%	6
Virginia Polytechnic Institute and State University	76%	3	80%	3
Virginia Doctoral Institutions Average	70%		73%	

*IPEDS, Graduation Rate Survey (GRS), for entering student cohorts entering as full-time, first-time, degree-seeking freshmen.

COMMONWEALTH OF VIRGINIA/GEORGE MASON UNIVERSITY PARTNERSHIP/PERSPECTIVES



- **Improved Resources (Operating Funds)**
- **Financial Aid/Scholarships**
- **Increase Research**
- **Compensation Competitiveness**
- **Improved Capital Infrastructure**

EXISTING SPIRES OF EXCELLENCE

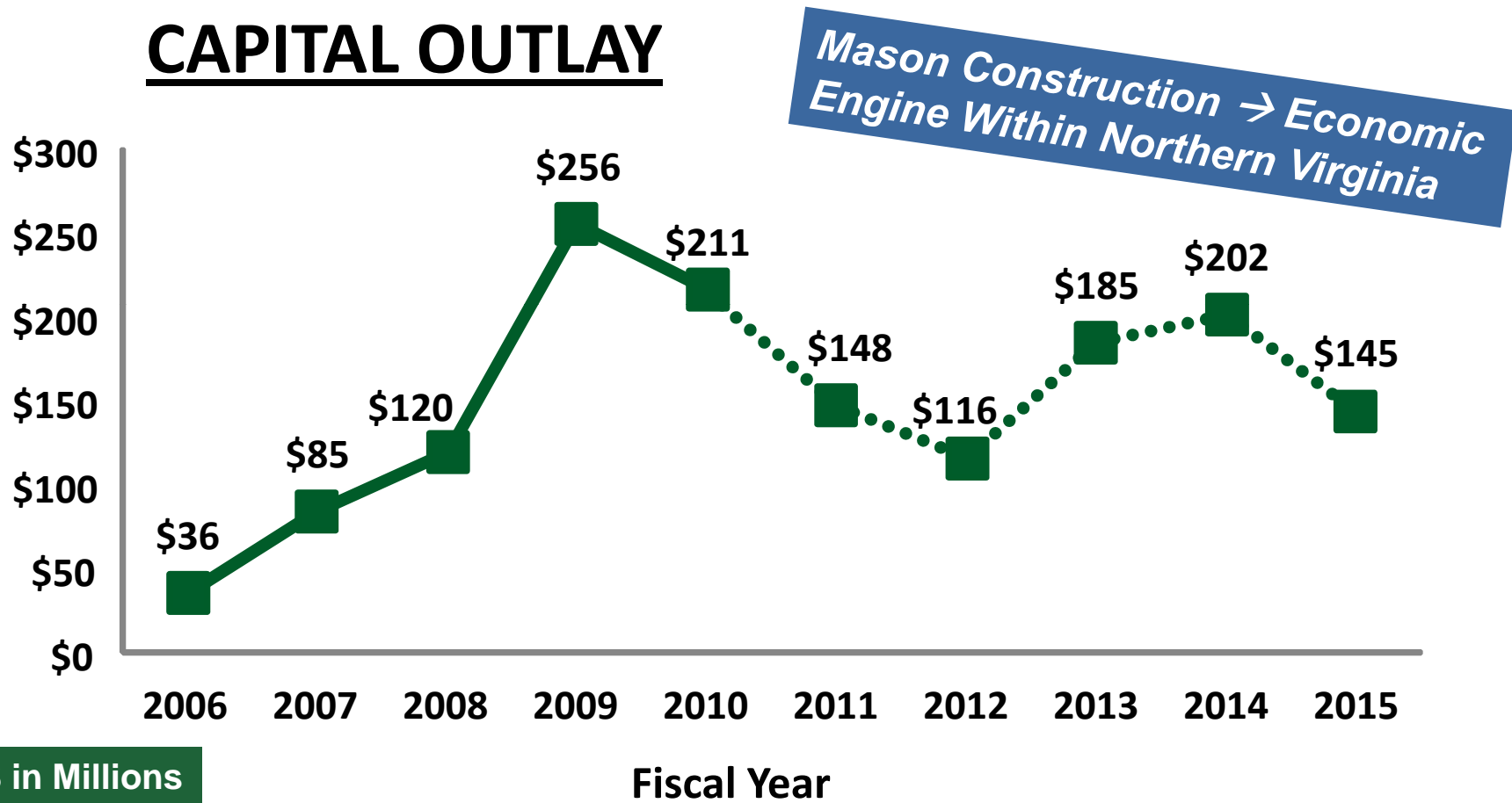
- **Policy Studies and Law**
- **Information Technology and Engineering**
- **Biomedical Research**
- **Dance**
- **Psychology, Particularly Industrial Psychology**
- **History and New Media**
- **Computational Social Sciences**
- **Special Education**
- **Writing and Creative Writing**
- **Geosciences, Particularly Climate Dynamics**

EMERGING SPIRES OF EXCELLENCE

- **Public Health**
- **Globalization Research and Education, including growing program in International Management**
- **Biomedical Technology and Neuroscience**
- **Music, particularly Music Education and promising new doctoral programs**
- **Undergraduate Research**

CAPITAL OUTLAY IMPROVEMENTS TOTAL SPENDING 2006 - 2016

CAPITAL OUTLAY



Approximately \$1.6 Billion of Capital Improvements, 2006 - 2015

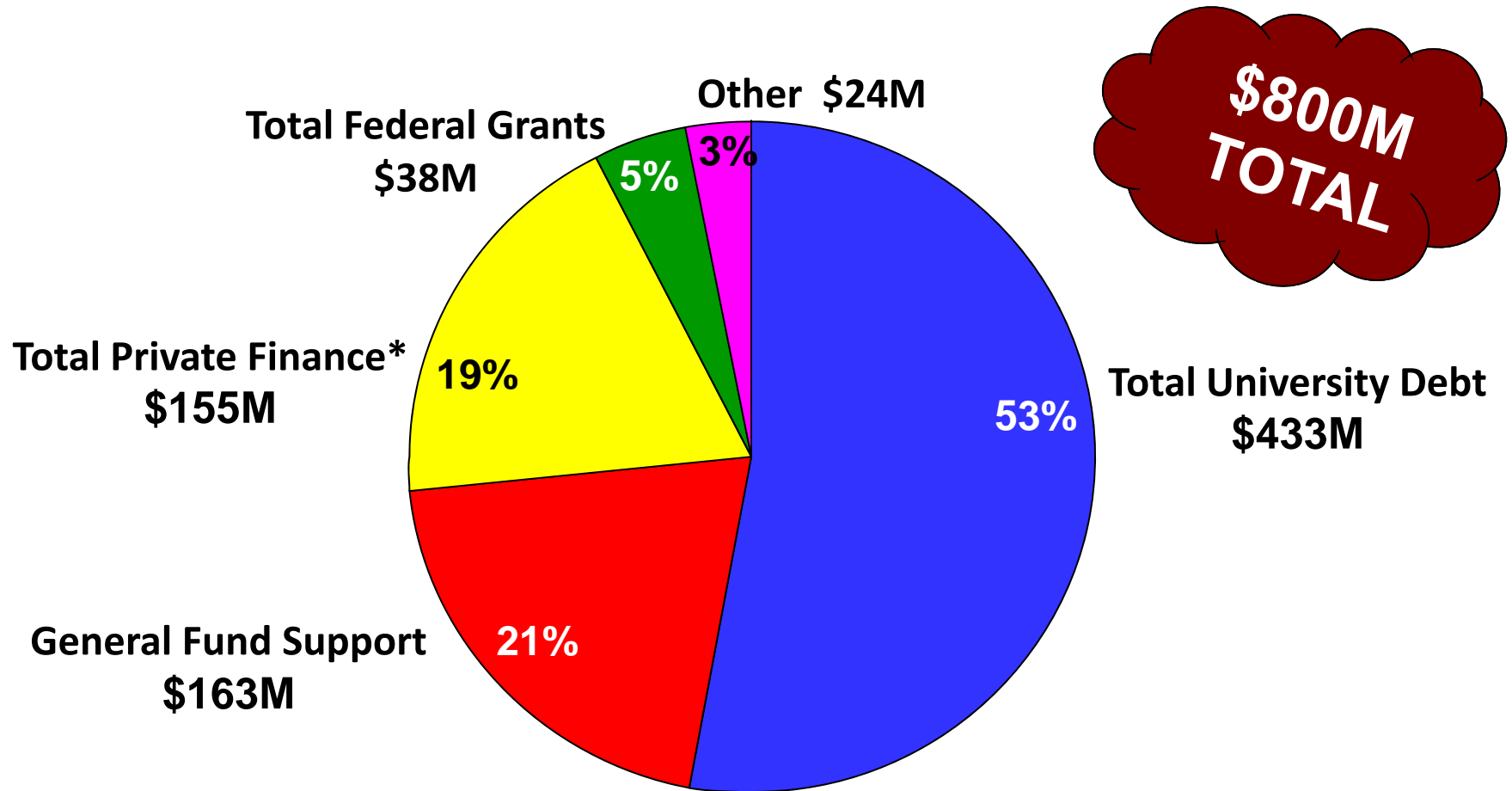
THE TRANSFORMATION OF GEORGE MASON UNIVERSITY

PHYSICAL FACILITIES GROWTH 2006 – 2016 (NASF)

	2005-2006 ACTUAL	2009-2010 ACTUAL	2015-2016 PROJECTED	2006 – 2016 CHANGE
E&G	1,200,000	1,400,000	1,800,000	50%
Auxiliary Enterprises	1,650,000	3,500,000	4,500,000	173%
Research	220,000	260,000	400,000	82%
TOTAL	2,970,000	5,160,000	6,700,000	123%

- **The University has expanded its physical plant by 67% (or 2,000,000 NASF) over the past five years**
- **The University estimates that the physical plant will expand by another 1,500,000 NASF over the next five years**
- **In ten years, George Mason will have increased by 123%, adding nearly 4,000,000 NASF**

SOURCES OF CAPITAL FUNDING 2011 - 2015



* This subtotal includes PPEA projects not yet awarded. Exact costs will be determined at a later date and paid through leases as opposed to capital. Projects in this category include: Satellite Heating and Cooling, PW Lab, and PW Grad Housing. A fourth PPEA project for the Potomac Science Center may materialize.

SOURCES OF CAPITAL FUNDING

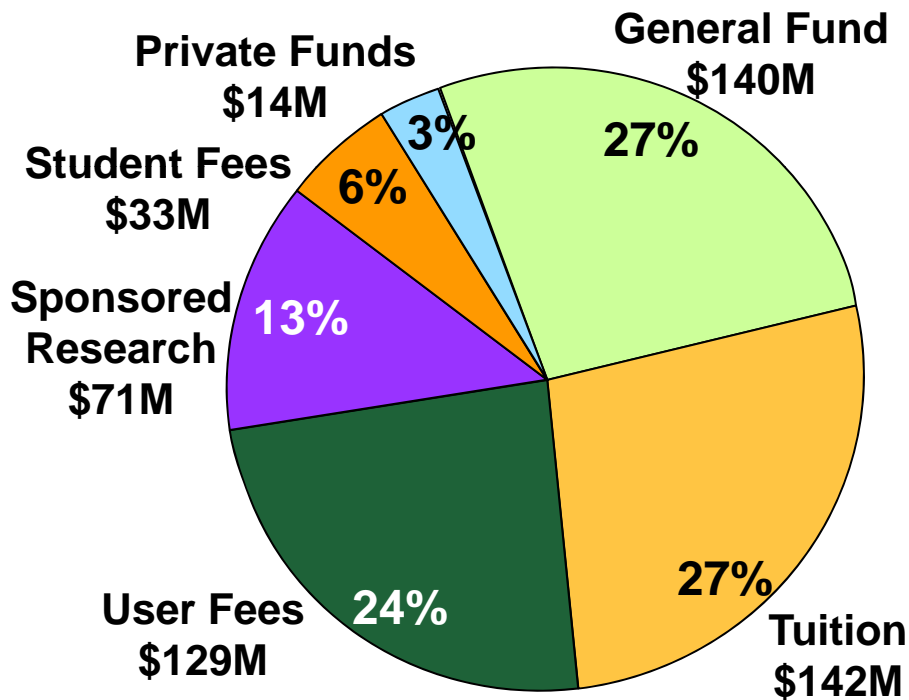
CAPITAL PROJECTS	GENERAL FUND	UNIVERSITY DEBT REVENUE BONDS	CASH	GMUF OR PPEA PRIVATE FINANCE	TOTAL
FY 2010 COMPLETED PROJECTS (\$275M)					
Hylton Performing Arts Center	\$6,500,000	\$42,935,000	\$4,400,000		\$53,835,000
Student Housing VIIC		52,277,000			52,277,000
PW Regional Biomedical Lab	2,500,000	22,471,000	27,475,000		52,446,000
Mason Inn		52,240,000	292,000		52,532,000
Masonvale Faculty/Staff Housing				\$40,000,000	40,000,000
Surge Space (Aquia) Building		24,784,000			24,784,000
ACTIVE PROJECTS (\$395M)					
Science & Tech II Addition	52,985,000				52,985,000
Housing VIIIA		52,500,000			52,500,000
Arlington Founders Hall	64,819,698	12,790,000	8,835,294		86,444,991
Thompson West Renovation	17,446,000				17,446,000
SUB II Renovation		10,000,000			10,000,000
SUB I Addition/Renovation & Suppl.		26,334,000			26,334,000
Fairfax Performing Arts Addition	5,000,000		3,471,000		8,471,000
Presidents Park Renovation Phase II		15,633,000			15,633,000
Administration Building				40,000,000	40,000,000
Krasnow Institute Addition Phase II	5,345,561	5,345,562			10,691,123

SOURCES OF CAPITAL FUNDING

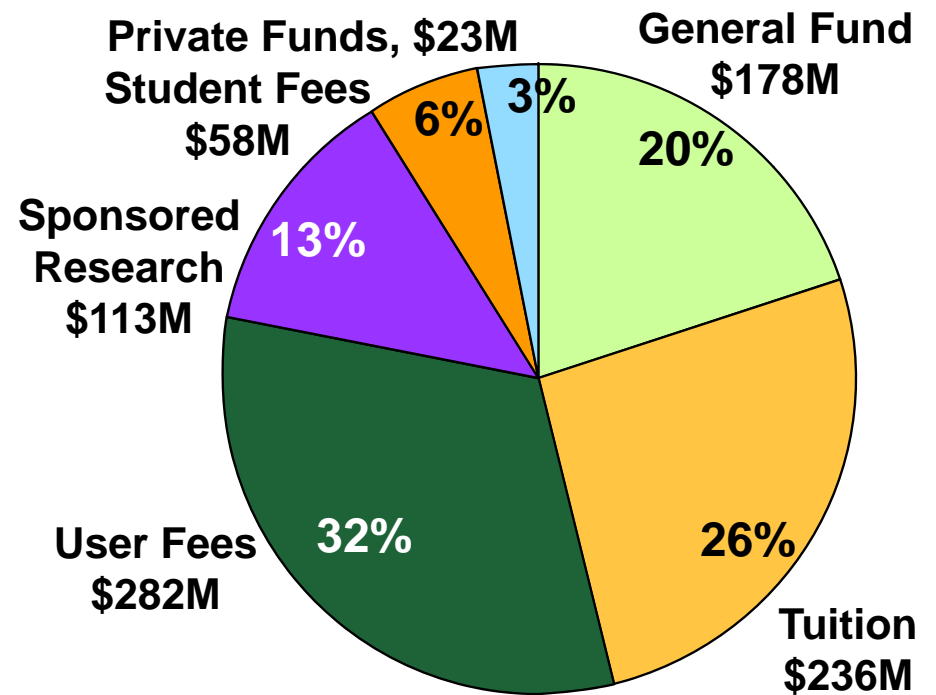
	GENERAL FUND	UNIVERSITY DEBT REVENUE BONDS	CASH	GMUF OR PPEA PRIVATE FINANCE	TOTAL
ACTIVE PROJECTS (Continued)					
Smithsonian CRC		20,142,000			20,142,000
Field House Infrastructure		9,186,000			9,186,000
Point of View/ICAR	6,000,000	9,000,000	7,000,000		22,000,000
Commons Housing Renovations		16,002,000			16,002,000
Fenwick Library *	1,478,000				1,478,000
Fine Arts II *	775,000				775,000
NEWLY AUTHORIZED (\$140M)					
Fairfax Concert Hall Renovation		41,064,000			41,064,000
New Global Center		5,015,000			5,015,000
Fairfax Campus Entrances		8,547,000			8,547,000
Student Apartments Renovations		3,098,000			3,098,000
PW Discovery Hall Addition (PPEA)				30,000,000	30,000,000
PW Graduate Housing (PPEA)				25,000,000	25,000,000
Fairfax Satellite Heating Plant (PPEA)				20,000,000	20,000,000
PW Lab Renovation			10,000,000		10,000,000
TOTALS	\$162,848,354	\$429,363,562	\$61,473,293	\$155,000,000	\$808,685,209

TOTAL BUDGET - ALL SOURCES (E&G, Auxiliary, Research, Capital, etc.)

**FY06 BUDGET
\$529 MILLION**



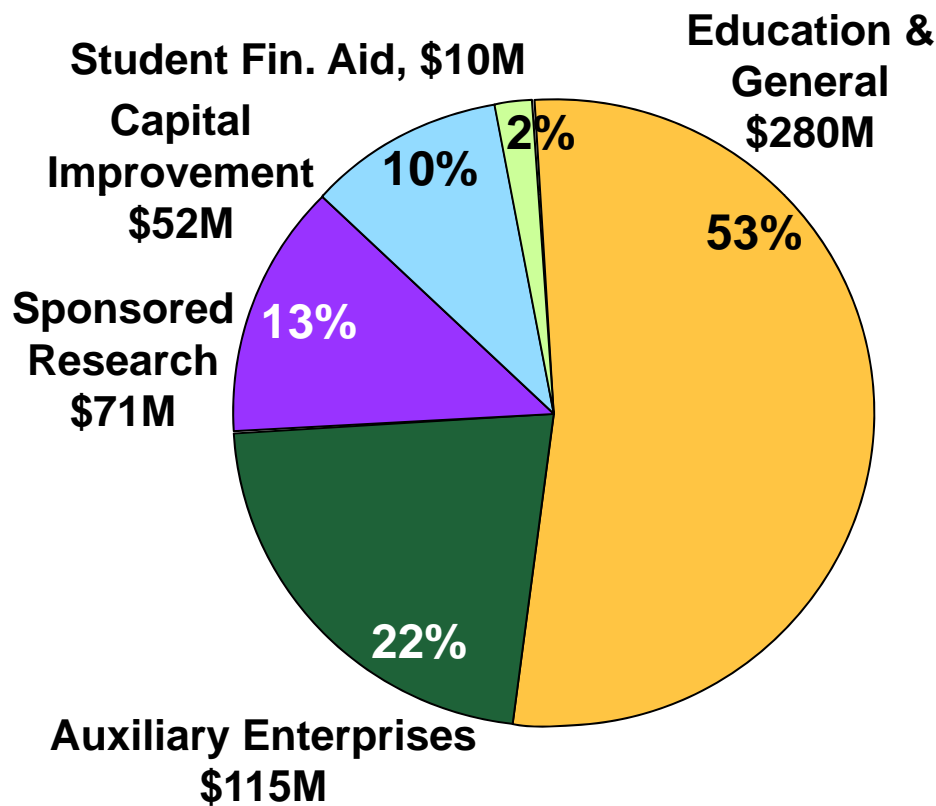
**FY11 BUDGET
\$890 MILLION**



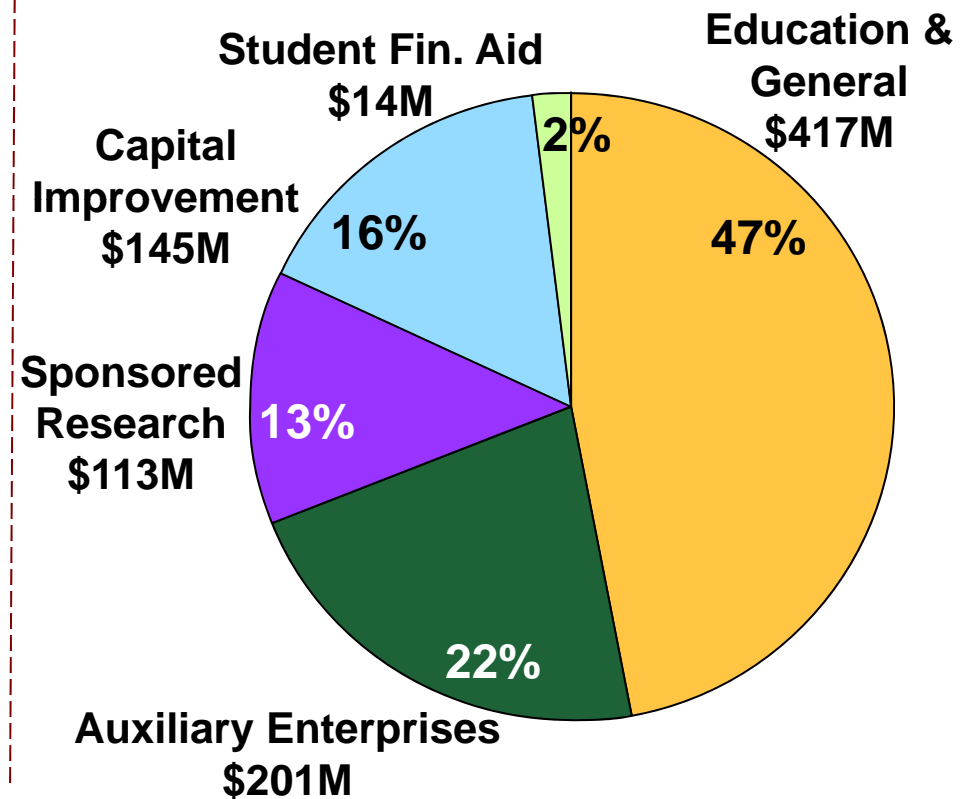
The total budget has increased approximately 68% over the past five years as physical resources (NASF) also increased by the same percentage growth.

TOTAL BUDGET - ALL USES

FY06 BUDGET \$529 MILLION

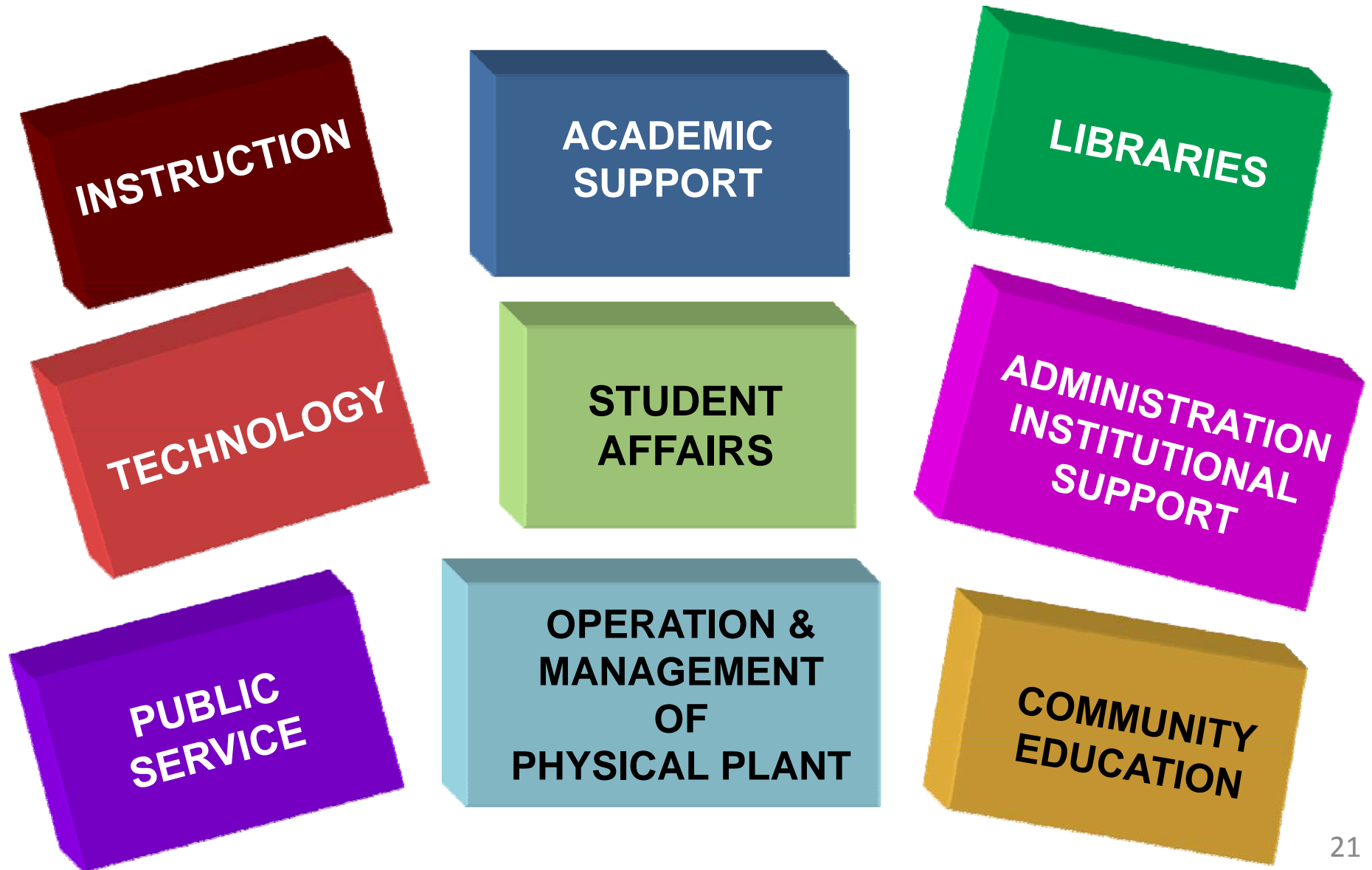


FY11 BUDGET \$890 MILLION



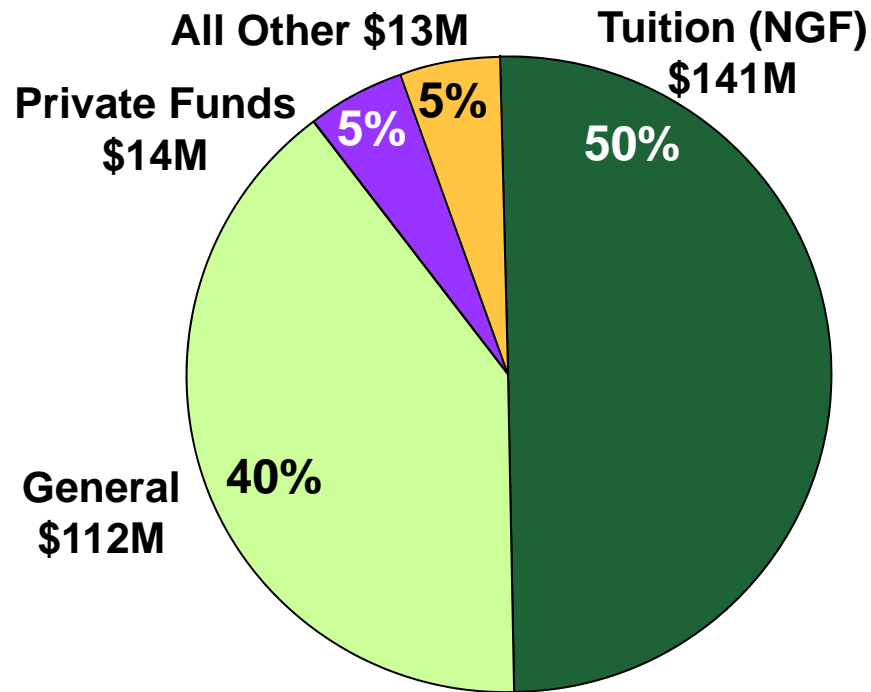
The Total Budget has increased approximately 68% over the past five years, as enrollment has increased 15% over the same time period

WHAT IS EDUCATIONAL & GENERAL (E&G)?

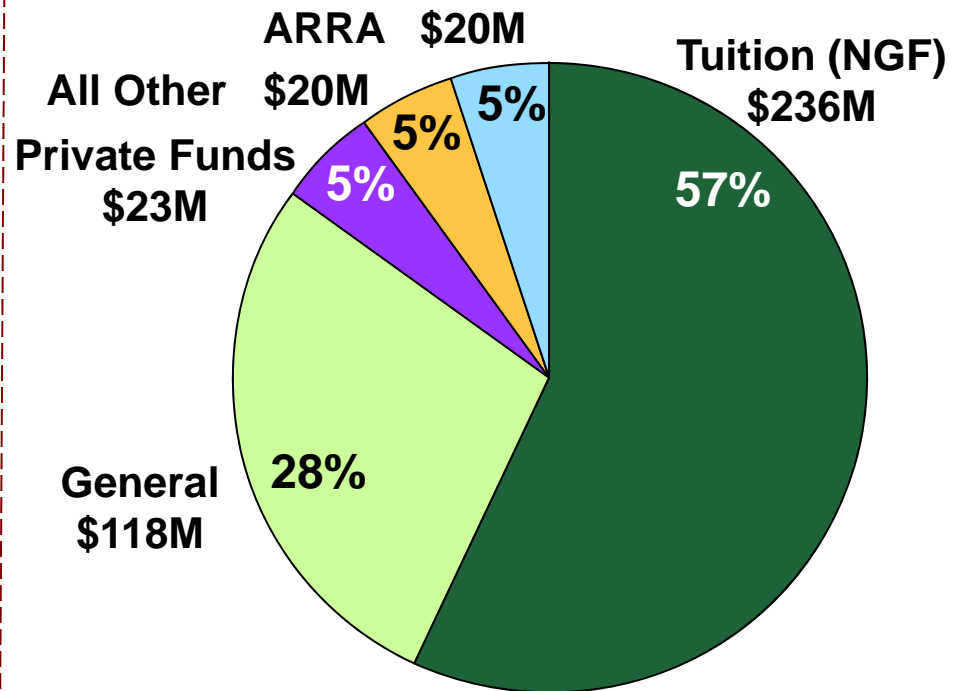


EDUCATION AND GENERAL (E&G) SOURCE OF FUNDS

**FY06 BUDGET
\$280 MILLION**



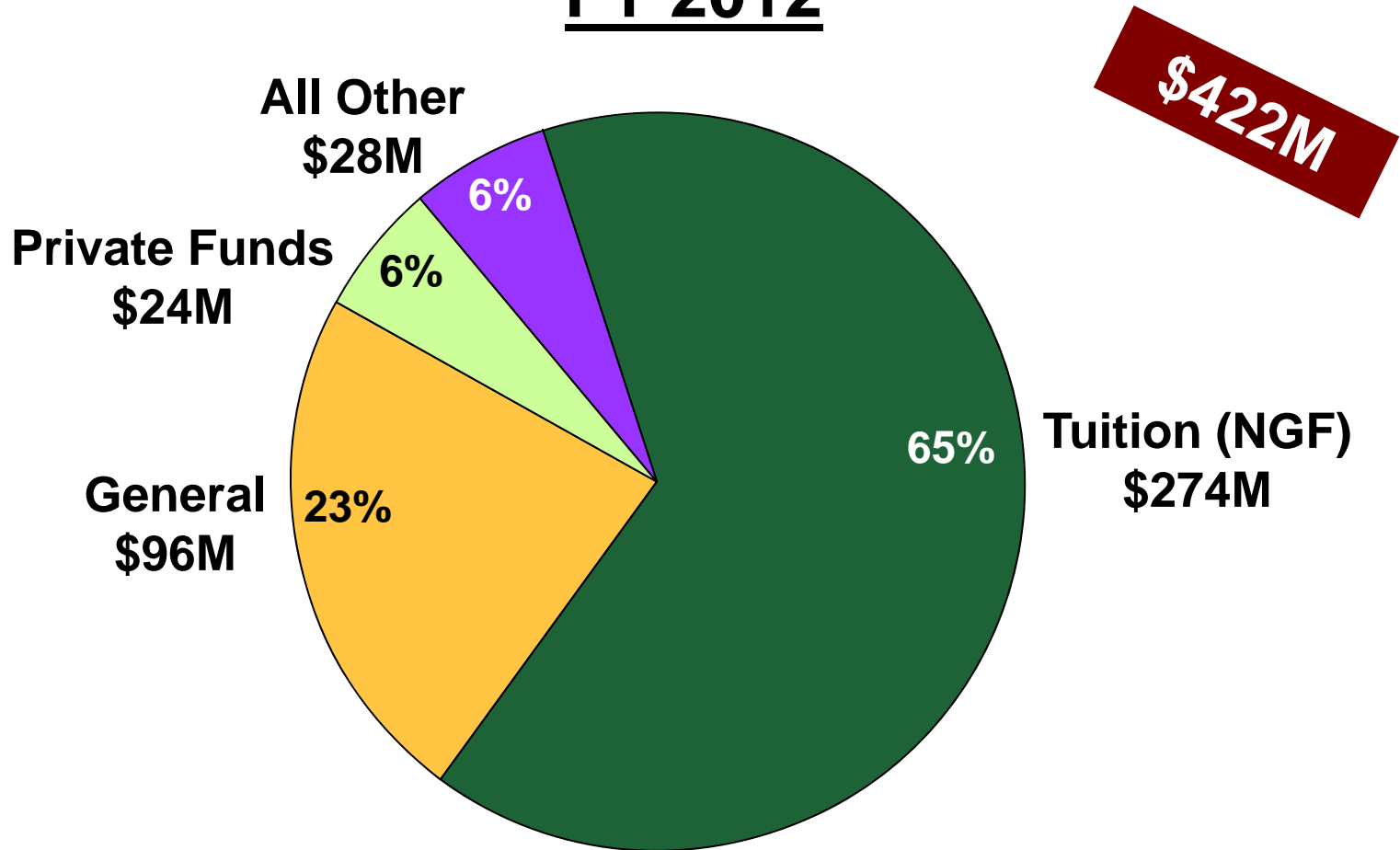
**FY11 BUDGET
\$417 MILLION**



Decreasing Support from General Fund. Increasing Dependence on Tuition (See Next Page)

EDUCATION AND GENERAL (E&G) SOURCE OF FUNDS

FY 2012



MUCH MORE TUITION DEPENDENT

E&G BUDGET MODEL, 2015 “THE FUNDING CHALLENGE”

FUNDING REDUCTIONS PARADIGM SHIFT

	FY 09/10/11	FY12	TOTAL
State Funding (GF)	<\$32M>	<\$14M>	<\$46M>
Federal Funding (ARRA)	\$20M	<\$20M>	-0-
Interest Income	-0-	<\$2M>	<\$2M>
TOTAL	<\$12M>	<\$36M>	<\$48M>

The General Fund support (including the FY12) reflects a 30% reduction in State support.

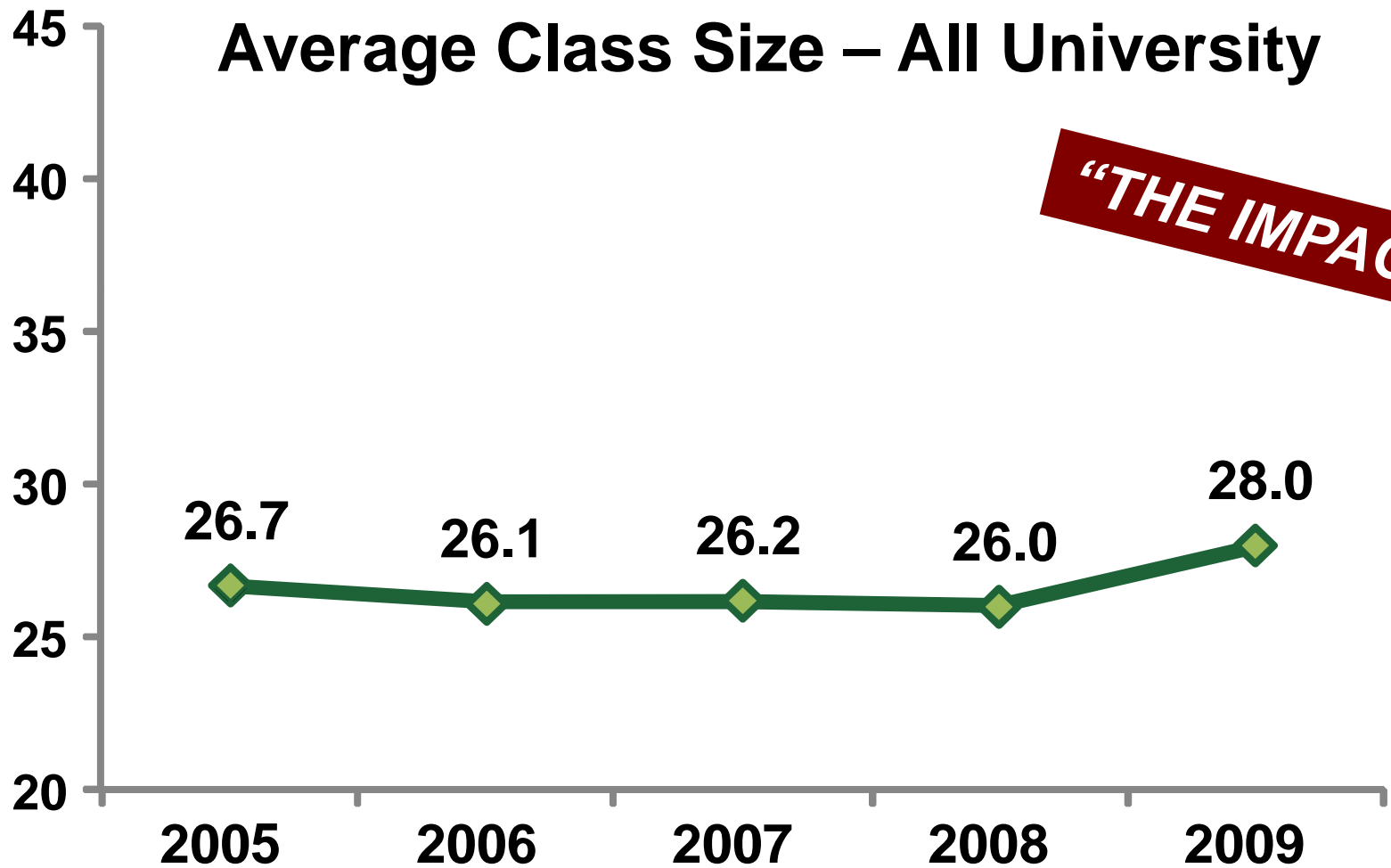
EDUCATION AND GENERAL (E&G) COMPARATIVE GENERAL FUND SUPPORT PER FTE

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

Institution	2006	2011
University of Virginia	\$9,448	\$8,453
Virginia Tech	\$8,491	\$6,977
William & Mary	\$8,671	\$7,927
Virginia Commonwealth	\$8,358	\$6,727
Old Dominion	\$6,759	\$5,416
Doctoral Average	\$8,345	\$7,100
George Mason University	\$5,679	\$5,477
GMU % of Average	68.1%	77.1%

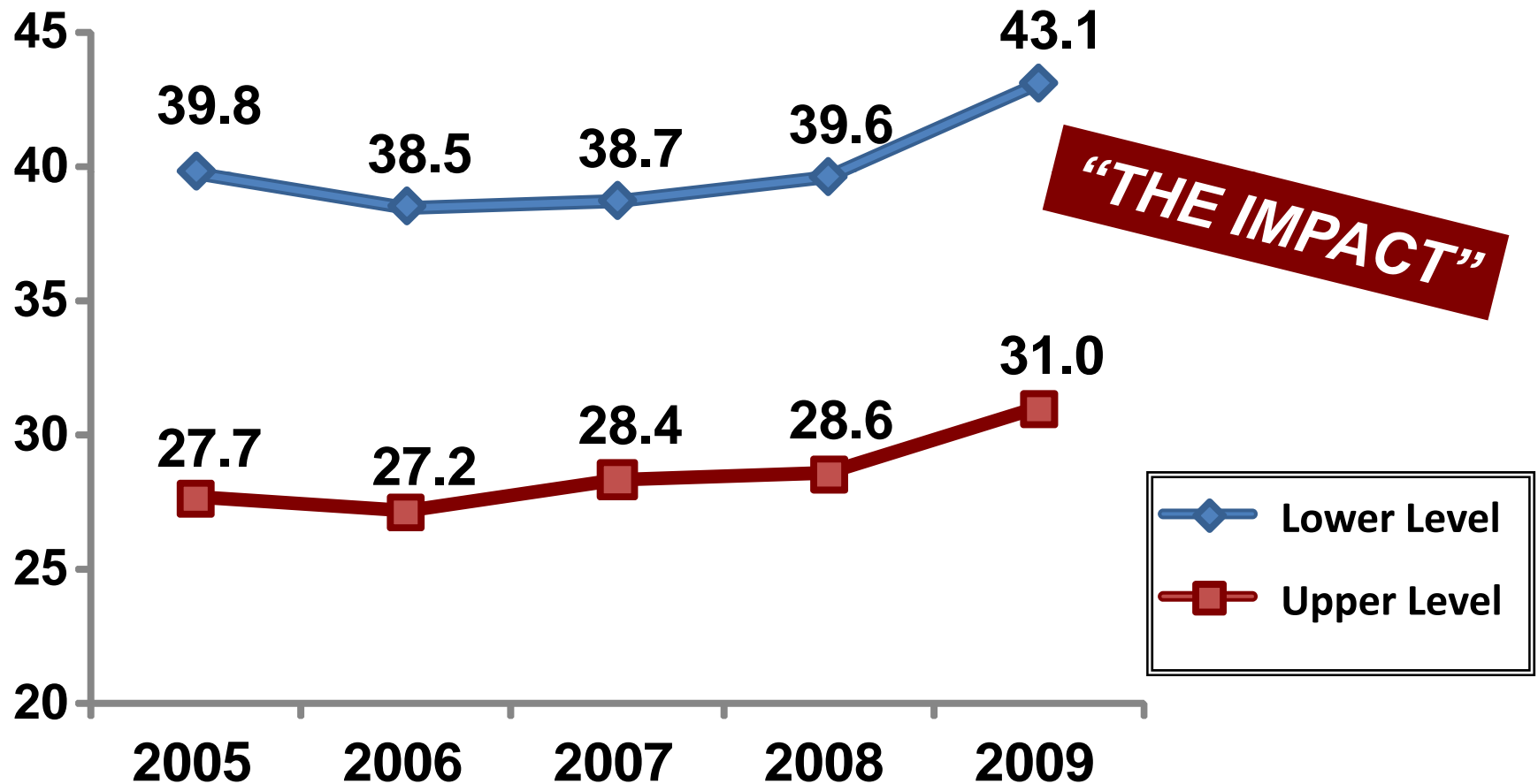
Mason's Relative Position is improving, but all institutions are receiving substantially less GF support per FTE student now than five years ago.

AVERAGE CLASS SIZE ALL UNIVERSITY



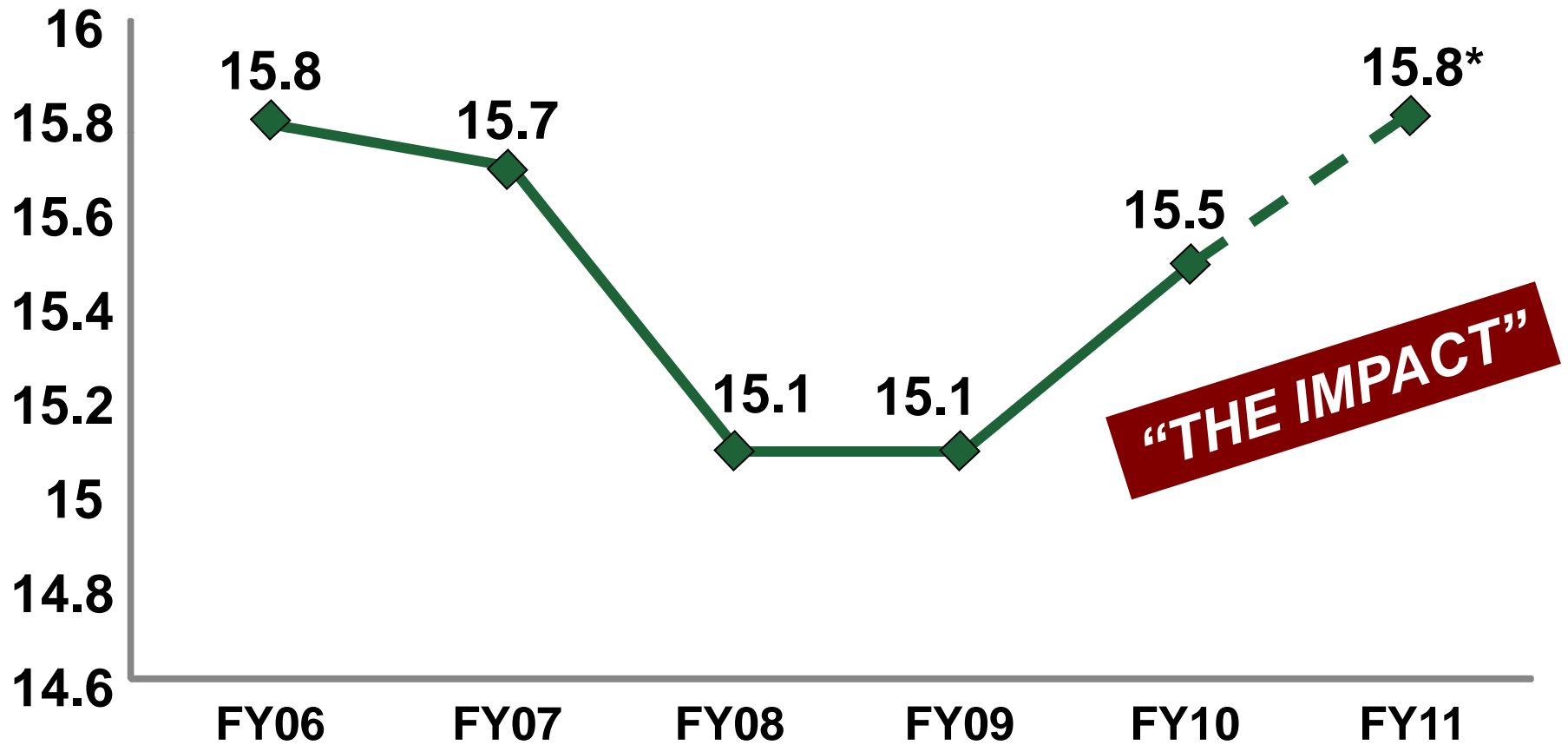
AVERAGE CLASS SIZE UNDERGRADUATE

Average Class Size - Undergraduate



STUDENT FTE TO FACULTY FTE RATIO

Student FTE to Faculty FTE Ratio



* Estimate

BUDGET MODELING STRATEGY FY 2010 – FY 2015

**Treat the years
as one funding
cycle**

**Bridge available
resources between
fiscal years**

**Institutional
Reserve 1st
priority is next
year carry-forward**

**Auxiliary Enterprise
annual contribution
to E&G
approximately \$2M
per year**

BUDGET MODELING STRATEGY FY 2010 – FY 2015

**Limited Student
Enrollment Growth
of Approximately
1.5% Per Year**

**Additional 400 – 500
International
Students by FY 2015**

**3% Salary Bonus in
FY 2011. No Salary
Increase in FY 2012.
Annual 3% Salary
Increase Effective
FY 2013**

BUDGET MODELING STRATEGY FY 2010 – FY 2015

**Unit Program
Support Increases
\$1M per Year
Beyond \$1.5M
Support in FY 2011**

**Enrollment Growth
Funding is \$10K - \$12K
per FTE Student
Through FY 2015**

**Institutionally Funded
Financial Aid Ranges from
\$2-3M per Year**

**O&M for New
Facilities
Funded 100%
By Tuition
(No GF)**

**Institutional
Reserve Funded at
\$5.4M Each Year**

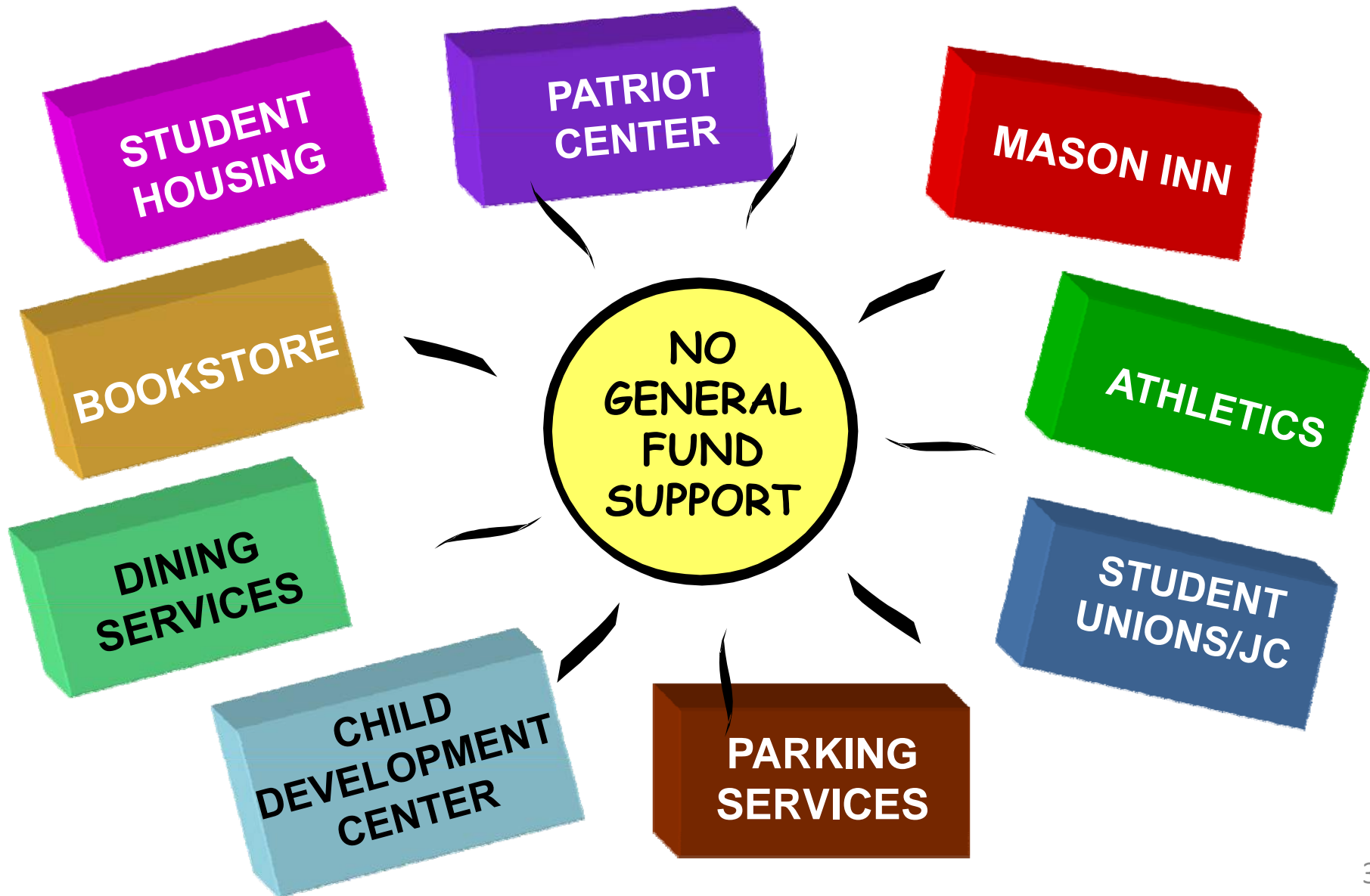
E&G BUDGET MODEL ASSUMPTIONS 2015

TUITION ONLY INCREASES: IN-STATE UNDERGRADUATE

➤	FY10	5.7%
➤	FY11	8.2%
➤	FY12	11.9%
➤	FY13	8.5%
➤	FY14	4.2%
➤	FY15	4.0%

Out-of-state tuition rate increases are currently modeled at 6.0% in FY12 and FY13 than 3.0% in FY14 and FY15.

WHAT ARE AUXILIARY ENTERPRISES?



BUDGET MODELING STRATEGY FY 2010 – FY 2015

**3% Salary Increases
Effective FY 2013**

**Housing Rate
Increases 3-5%
Annually**

**Board Rate
Increases 3-4%
Annually**

**Program Support
Enrollment Growth Funding
\$1M - \$2M Annually**

**Facility Reserve
Funding \$400-600K
Per Year**

**Debt Service &
Operating Costs For
All New Facilities**

AUXILIARY ENTERPRISE BUDGET MODEL, 2015

GEORGE MASON UNIVERSITY AUXILIARY ENTERPRISES, 2015 PROJECTED STUDENT FEE INCREASES

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2013 BUDGET	FY 2014 BUDGET	FY 2015 BUDGET
Student Fee	\$2,184	\$2,364	\$2,506	\$2,656	\$2,816
Increase	180	142	150	160	170
New Student Fee	\$2,364	\$2,506	\$2,656	\$2,816	\$2,986
PERCENT INCREASE	8.2%	6.0%	6.0%	6.0%	6.0%

The budget model now projects an in-state, undergraduate tuition & fee increase in FY 2012 of approximately \$870 (or 10%) as the annual tuition & fee price increases from \$8,684 to approximately \$9,550. Further refinement on-going.

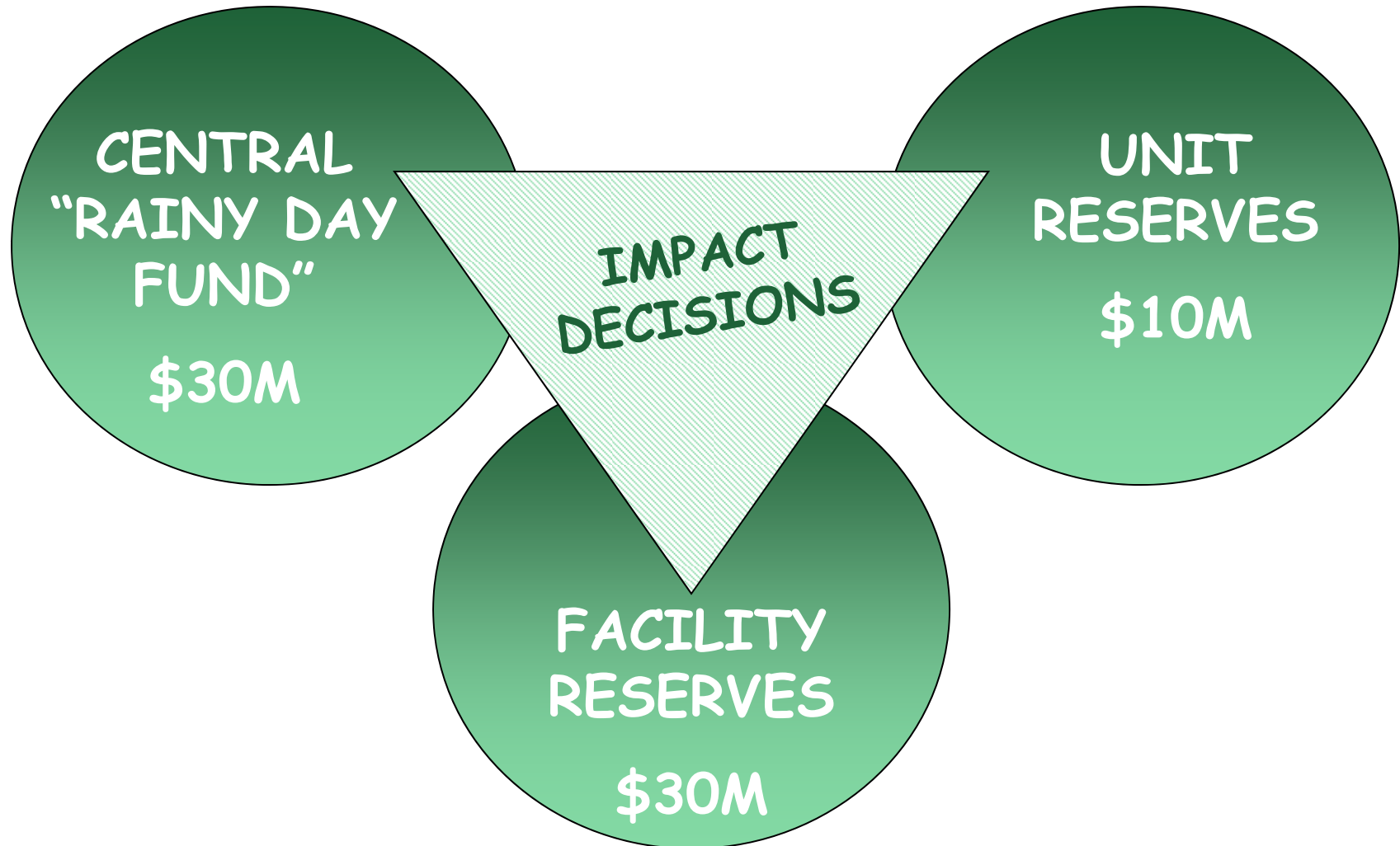
PROJECTED PRICE TO ATTEND MASON (Tuition, Fees, Room & Board)

UNDERGRADUATE	FY 2011		FY 2015	
	IN-STATE	OUT-OF-STATE	IN-STATE	OUT-OF-STATE
Tuition	\$6,320	\$23,084	\$8,290	\$28,107
Fees	2,364	2,364	2,986	2,986
Subtotal	8,684	25,448	11,276	31,093
Room & Board	7,940	7,940	9,120	9,120
TOTAL	\$16,624	\$33,388	\$20,396	\$40,213

The average annual tuition/fee increase is approximately 7.5% for in-state students while the average annual tuition/fee increase is 5.5% for out-of-state students.

The average annual total price increase is approximately 5.7% for in-state students and 5.1% for out-of-state students.

AUXILIARY ENTERPRISES POSITION OF STRENGTH, 2015



UPCOMING IMPACT DECISIONS

**Housing
VIII-B
(600)**

**Fieldhouse
Expansion**

**Athletic
Field
Improvements**

**Other
Business
Opportunities**

**Commons
Renovation**

**Johnson
Center
Renovation**

**Interest
Income**

**CFA
Renovation**

**Prince
William
Housing
(150)**

**Cost
Containment**

**Student
Apartment
Renovation**

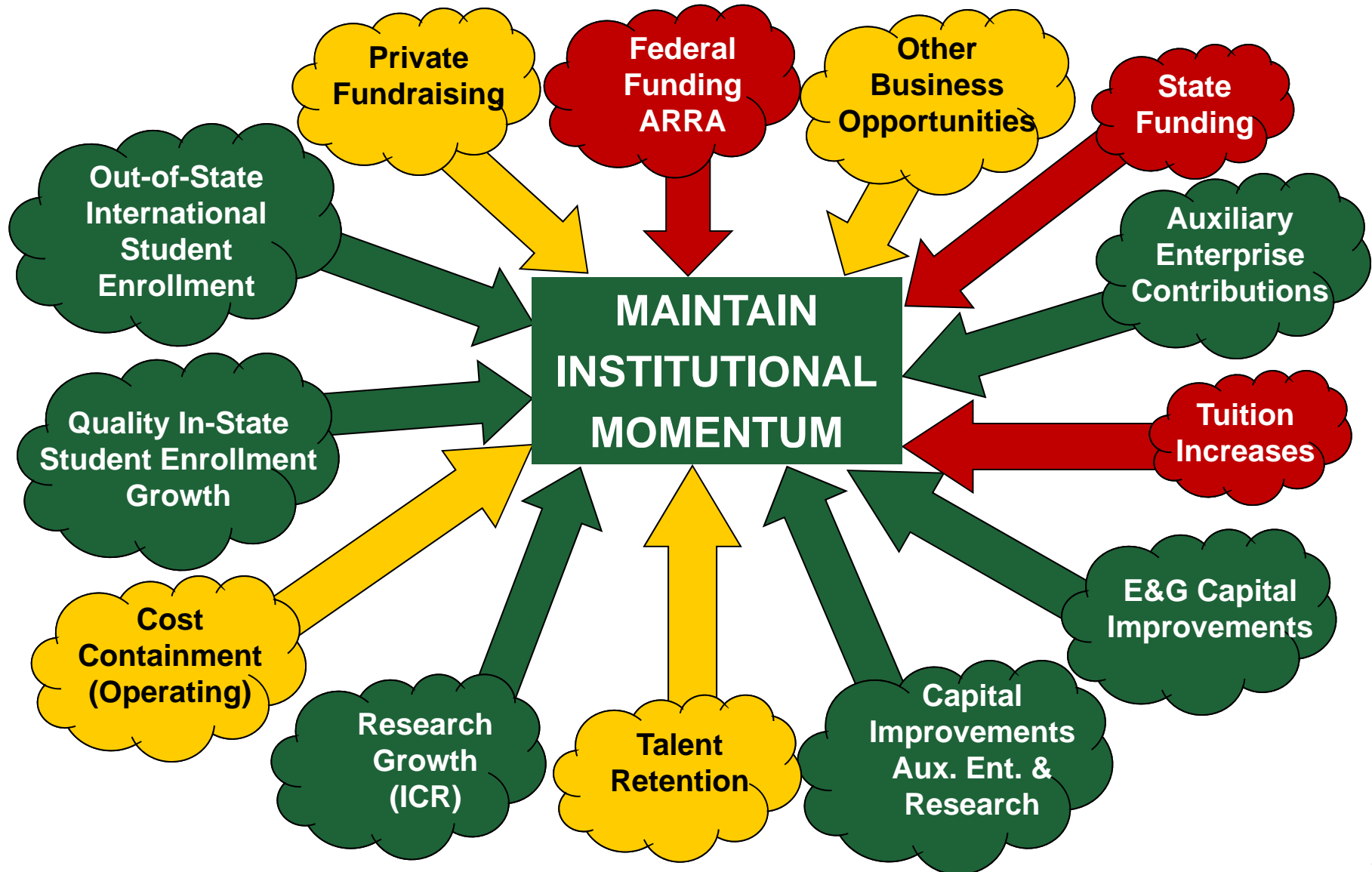
**Unit
Program
Support**

**Fundraising
(Naming)**

**Student
Enrollment
Growth**

**Pedestrian/
Vehicular
Infrastructure**

COMMONWEALTH OF VIRGINIA/GEORGE MASON UNIVERSITY PARTNERSHIP/PERSPECTIVES



EDUCATIONAL & GENERAL BUDGET MODEL, 2015

GEORGE MASON UNIVERSITY EDUCATIONAL & GENERAL					
<i>Dollars in millions</i>	2010-11 Revised*	2011-12 PLAN	2012-13 PLAN	2013-14 PLAN	2014-15 PLAN
STUDENT ENROLLMENT (FTE)	25,800	26,187	26,580	26,979	27,383
REVENUE					
General Fund	\$113.33	\$95.71	\$98.28	\$102.69	\$107.24
ARRA Funds	19.89	0	0	0	0
Tuition	238.31	245.12	279.72	310.00	328.98
Other E&G Revenue (Includes Private Funds)	52.46	52.59	53.97	55.06	56.15
TOTAL E&G REVENUE	\$423.99	\$393.42	\$431.97	\$467.75	\$492.37
EXPENSES MANDATORY/UNAVOIDABLE					
Personnel (Salaries & Benefits)	\$294.26	\$287.70	\$287.70	\$287.70	\$287.70
Annual Salary Increases	0	0.24	5.50	14.45	23.66
Plant O&M – (Including New Facilities)	22.80	28.96	34.89	36.86	38.47
Tuition Mitigation Reserve (Use in brackets)	9.11	(9.11)			
Enrollment Growth Funding	16.50	24.39	28.72	33.52	38.80
Non-Personnel Expenses and Contingency	40.86	42.13	44.91	46.67	47.95
MANDATORY/UNAVOIDABLE SUBTOTAL	\$383.53	\$374.31	\$401.12	\$419.20	\$436.58
MAINTAINING/ENHANCING QUALITY					
Program Support – Initiatives & Infrastructure	\$2.00	\$3.50	\$5.50	\$8.00	\$11.00
Private Funds (Academic Unit Priorities)	23.00	24.00	25.00	26.00	27.00
Access/Bridge, Dev, Spec. Comp, SACS	2.71	5.34	6.33	7.59	8.21
MAINTAINING/ENHANCING SUBTOTAL	27.71	32.84	36.83	41.59	46.21
FINANCIAL AID	12.75	15.05	16.85	18.65	20.45
TOTAL E&G EXPENSES	\$423.99	\$422.20	\$455.40	\$479.94	\$504.24
NET BEFORE TUITION RATE INCREASES	\$0	(\$28.78)	(\$23.43)	(\$12.19)	(\$11.87)

AUXILIARY ENTERPRISE BUDGET MODEL, 2015

GEORGE MASON UNIVERSITY AUXILIARY ENTERPRISE					
<i>Dollars in millions</i>	2010-11 Revised*	2011-12 PLAN	2012-13 PLAN	2013-14 PLAN	2014-15 PLAN
STUDENT ENROLLMENT (FTE)	25,800	26,187	26,580	26,979	27,383
REVENUE					
Student Fees	\$60.67	\$65.33	\$70.37	\$75.78	\$81.60
User Fees	99.31	105.65	117.30	121.68	126.03
Independent Operations	43.63	44.28	44.94	45.62	46.30
TOTAL AUXILIARY ENTERPRISE REVENUE	\$203.61	\$215.26	\$232.61	\$243.08	\$253.93
EXPENSES MANDATORY/UNAVOIDABLE					
Personnel (Salaries & Benefits)	\$38.38	\$37.83	\$37.83	\$37.83	\$37.83
Annual Salary Increases	0	0	1.13	2.30	3.50
Facilities Debt Service	36.44	39.79	46.35	45.92	45.93
Non-Personnel Expenses	74.70	79.03	83.93	87.04	89.94
MANDATORY/UNAVOIDABLE SUBTOTAL	\$149.52	\$156.65	\$169.24	\$173.09	\$177.20
MAINTAINING/ENHANCING QUALITY					
Program Support & Enrollment Growth	\$0.53	\$1.53	\$3.03	\$4.53	\$6.28
Central Initiatives (Transportation, Utilities, etc.)	0.25	1.35	2.00	2.40	2.80
Facility Reserves/Maintenance Support	0.90	1.30	1.70	2.10	2.70
Scholarships	4.99	5.31	5.66	5.92	6.19
E&G Contribution	1.75	2.00	2.00	2.00	2.00
MAINTAINING/ENHANCING SUBTOTAL	\$8.42	\$11.49	\$14.39	\$16.95	\$19.97
<i>Independent Operations</i>	\$43.63	\$44.28	\$44.94	\$45.62	\$46.30
TOTAL AUXILIARY ENTERPRISE EXPENSES	\$201.57	\$212.42	\$228.57	\$235.66	\$243.47
NET PROFIT/(LOSS)	\$2.04	\$2.84	\$4.04	\$7.42	\$10.46