

**GEORGE MASON UNIVERSITY**

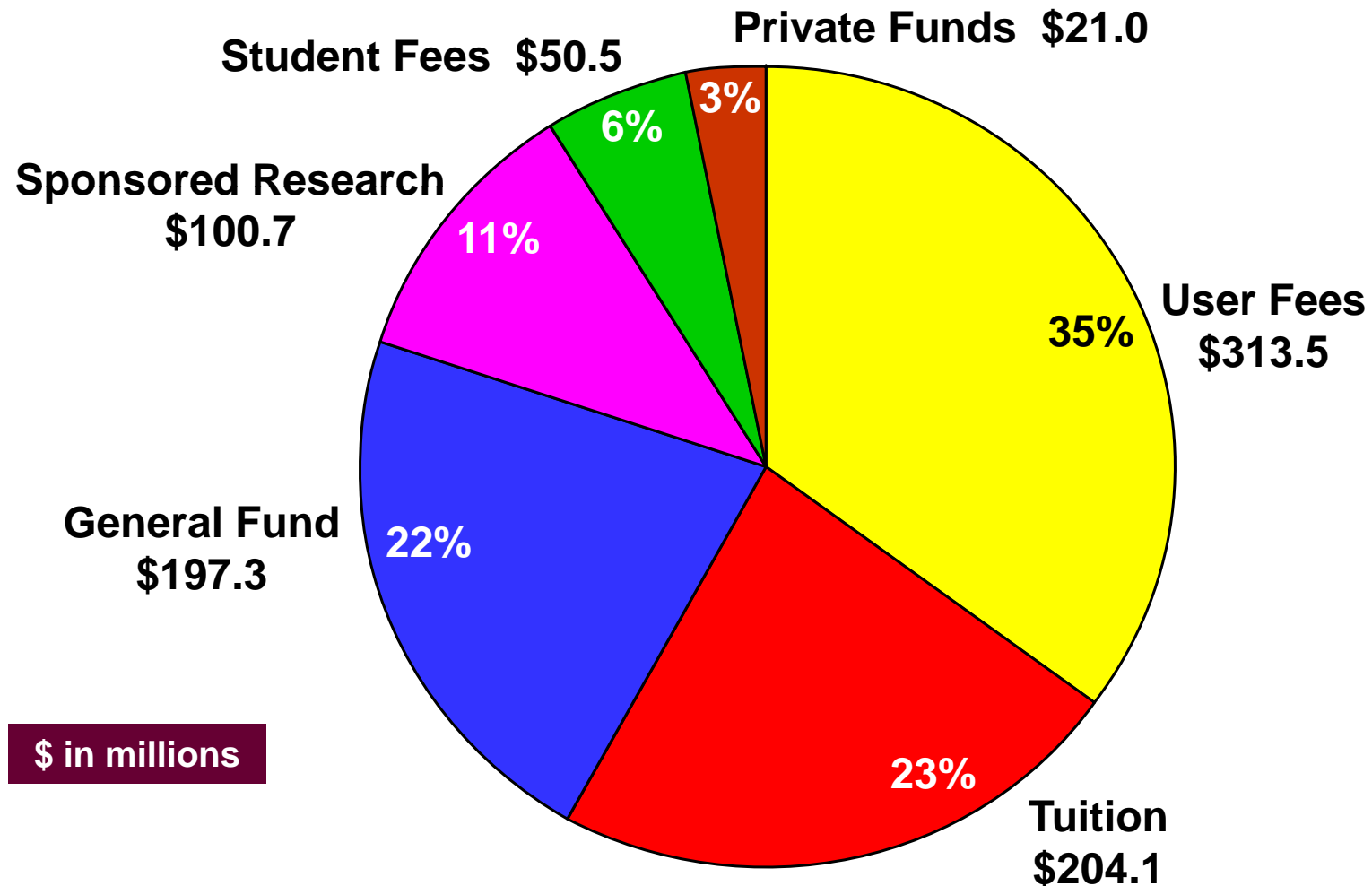
**BUDGET UPDATE**



**Faculty Senate**  
**September 16, 2009**

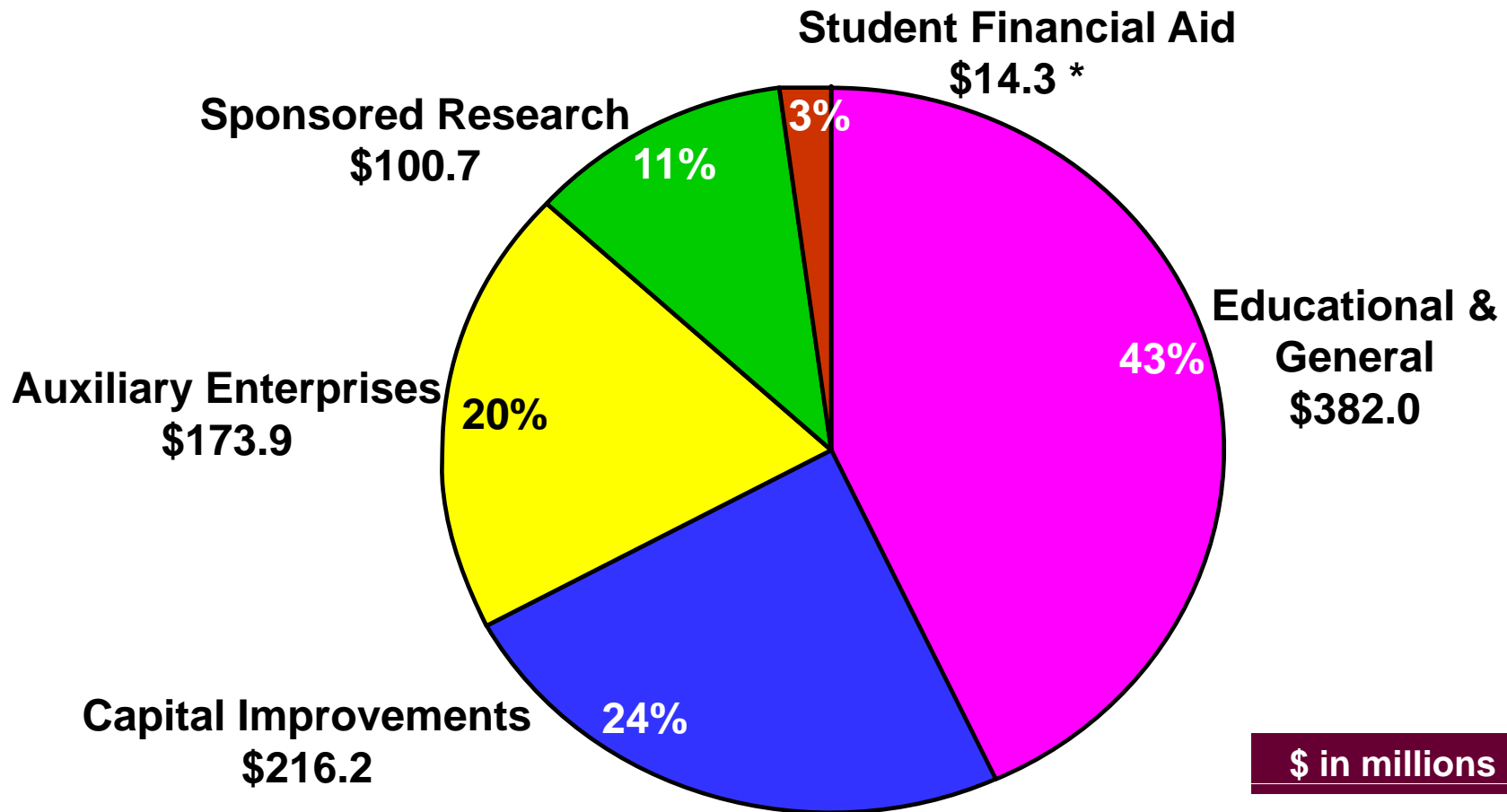
# TOTAL BUDGET OVERVIEW

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



# TOTAL BUDGET OVERVIEW

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



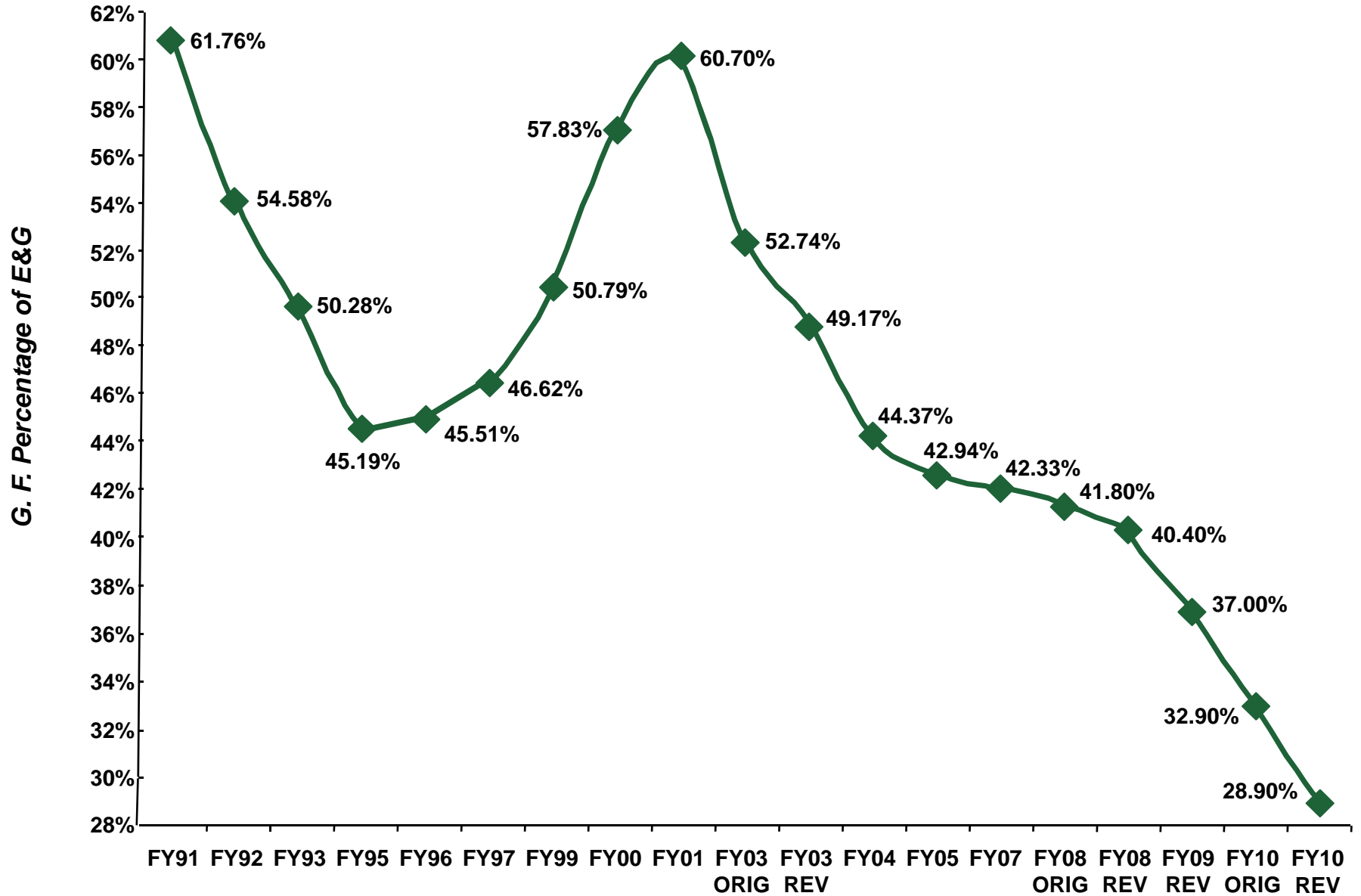
\* State Funded Student Financial Aid

# 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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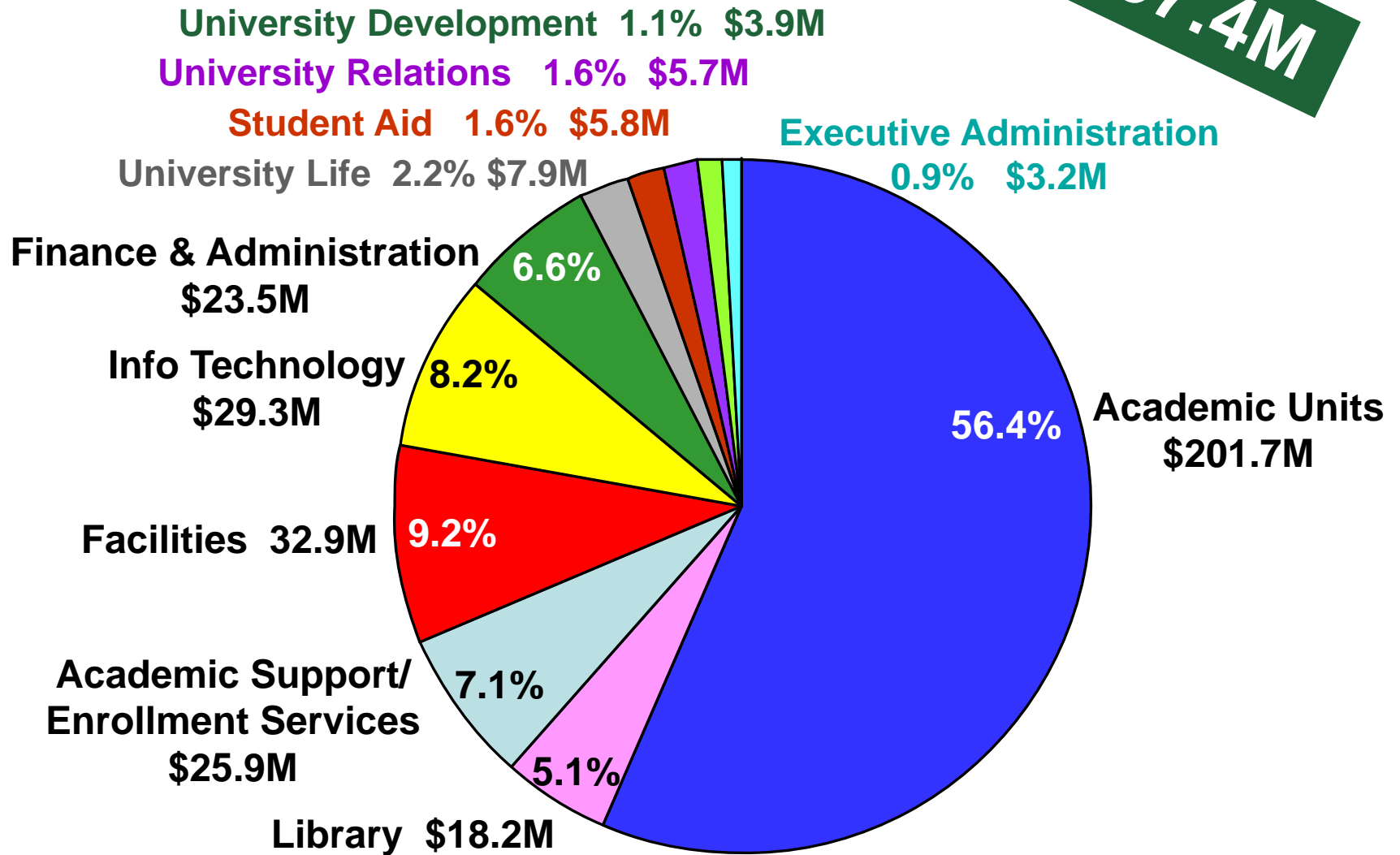
- **Remain Committed to Unit Empowerment**
- **Institutional Commitment to Classroom Learning Quality**
- **Unit Budget Reduction Strategies Primarily Delegated**
- **Some Targeted Budget Reductions Decisions Will Also Be Made Centrally**
- **Strategies Executed in Collaborative Manner**
- **Budget Reduction 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% \$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

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- **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)**

# STRATEGY TO ABSORB THE REDUCTION

<b>STATE REDUCTION</b>	<b>\$17.7M</b>
<b><u>NEW ARRA FUNDS</u></b>	<b><u>[\$ 8.6M]</u></b>
<b>NET REDUCTION</b>	<b>\$ 9.1M</b>

## **REVENUE/TRANSFERS**

➤ <b>Tuition (Increased Enrollment)</b>	<b>\$2.5M</b>
➤ <b><u>Other Sources (Aux Ent)</u></b>	<b><u>\$0.5M</u></b>
<b>TOTAL REVENUE</b>	<b>\$3.0M</b>

# STRATEGY TO ABSORB THE REDUCTION

## BUDGET REDUCTIONS:

➤ Instruction	\$2.92M	
➤ Reduce Utilities Budget	\$0.70M	
➤ Academic Support	\$0.67M	
➤ ITU	\$0.49M	
➤ Facilities	\$0.43M	
➤ Fin/Admin	\$0.46M	
➤ University Relations	\$0.39M	
➤ <u>Other</u>	<u>\$0.20M</u>	
<b>TOTAL REDUCTIONS</b>		<b>\$6.1M</b>

**BUDGET BALANCE**

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# 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”
  - Definition of “State Employees” is remaining unanswered. Faculty? Admin Faculty? 9/10 Month? Auxiliary Enterprise? Sponsored Research? Classified? GTA/GRA? Wages – No. Adjunct Faculty – No.

# GEORGE MASON UNIVERSITY FURLOUGHS & RETIREMENT

## RETIREMENT:

- State has announced a reduction in employer contribution to *Retirement Fund/Benefit*
  - TRUE for VRS employees – No Impact on “Defined Benefits”
  - FALSE for ORP employees – “Defined Contribution”
  - Look for employee contribution changes for VRS employees effective July 1, 2010

# GEORGE MASON UNIVERSITY BUDGET OUTLOOK, FY2011 & FY 2012

**Context:** Mason originally received \$10.9M of ARRA funds in FY 2010 and FY 2011. When the FY 2010 budget reductions were announced, Mason was told it will receive an additional \$8.6M of ARRA funds in FY 2010 to partially offset the GF budget reduction.

## REDUCTION OF ARRA FUNDS

	FY11	FY12
Lose the New FY10 Allocation	- \$8.6M	- \$8.6M
Lose the Original FY10 Allocation	-0-	- \$10.9M
<b>TOTAL</b>	<b>- \$8.6M</b>	<b>- \$19.5M</b>

## “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***



# GEORGE MASON UNIVERSITY PROGRAM GROWTH – 10 YEAR BUDGET

<b>GEORGE MASON UNIVERSITY PROGRAM GROWTH 10-YEAR BUDGET</b>			
<b>PROGRAM</b>	<b>FY 2000</b>	<b>FY 2010</b>	<b>10 YEAR % CHANGE</b>
Instruction	\$97.3	\$193.7	99.1%
Libraries	11.1	20.6	85.6%
Student Aid	-0-	5.9	N/A
Plant	13.1	37.1	183.0%
Technology, Institutional Support, Academic Support, Student Services	54.6	98.7	80.1%
Other	1.1	1.3	N/A
<b>TOTAL E&amp;G BUDGET</b>	<b>\$177.2M</b>	<b>\$357.4M</b>	<b>101.7%</b>
<b>Student Enrollment (FTE)</b>	<b>17,843</b>	<b>24,480</b>	<b>37.2%</b>