

WILLIAM & MARY

BOARD OF VISITORS
EXECUTIVE COMMITTEE
DRAFT MINUTES
JUNE 9, 2022
BOARD ROOM – BLOW MEMORIAL HALL

COMMITTEE MEMBERS PRESENT

Mr. William H. Payne II, Vice Rector
Ms. Barbara L. Johnson, Secretary

Mr. James A. Hixon
Ms. Lisa E. Roday

COMMITTEE MEMBERS ABSENT

Hon. John E. Littel, Rector
Ms. Sue H. Gerdelman

Mr. Brian P. Woolfolk

OTHER BOARD MEMBERS PRESENT

Ms. Ardine Williams

OTHERS PRESENT

Ms. Amy S. Sebring, Chief Operating Officer
Ms. Carrie Nee, University Counsel
Dr. D. Derek Aday, Dean & Director of the Virginia Institute of Marine Science
Mr. Brian W. Whitson, Chief Communications Officer
Ms. Suzanne C. Clavet, Director of University News & Media
Mr. Paul Edwards, RBC Chief Business Officer (*via phone*)
Mr. Michael J. Fox, Secretary to the Board of Visitors
Ms. Jessica L. Walton, Deputy Secretary to the Board of Visitors

CALL TO ORDER AND OPENING REMARKS

Mr. William H. Payne II, Vice Rector, called the Executive Committee to order at 5:15 p.m.

VIRGINIA INSTITUTE OF MARINE SCIENCE

Mr. Payne provided a brief overview of **Resolution 1**, Virginia Institute of Marine Science FY 2022-23 Operating Budget Proposal (**appended**). He noted that **Resolution 1** had been brought before the Executive Committee on May 19, 2022, but the Committee adjourned before voting on the resolution.

Mr. Payne asked for a motion on **Resolution 1**. Motion was moved by Ms. Lisa E. Roday, seconded by Ms. Barbara L. Johnson, and approved by voice vote.

RICHARD BLAND COLLEGE

Mr. Payne introduced Mr. Paul Edwards, Richard Bland College (RBC) Chief Business Officer, who participated by phone. Mr. Edwards noted a handout (**appended**) regarding highlighting the differences in the May 19 and June 9 RBC FY23 Budget Proposal.

A discussion ensued regarding the termination of the Verto agreement, operating revenues, and operating expenditures.

Ms. Ardine Williams recapped what the Executive Committee had just discussed relative to the RBC proposed budget: reduce other revenue by \$450,000, remove revenue from the DroneUp initiative, and adjust expenditures accordingly. Ms. Williams also asked that Mr. Edwards provide clarification on the reallocation of personnel under operating expenditures.

On behalf of the Executive Committee, Mr. Payne asked RBC's Chief Business Officer to amend Richard Bland College's FY 2023 Operating Budget, as presented in Resolution 4-R, based on a \$450,000 reduction in revenue as discussed by the Committee. Mr. Payne asked for a motion on **Resolution 4-R (appended)**, as amended. Motion was made by Mr. James A. Hixon, seconded by Ms. Barbara L. Johnson, and approved by voice vote.

ADJOURNMENT

There being no further business, Mr. Payne adjourned the meeting at 5:59 p.m.

**VIRGINIA INSTITUTE OF MARINE SCIENCE
FY 2022-23 OPERATING BUDGET PROPOSAL**

WHEREAS, the Virginia Institute of Marine Science, educational and general programs constitute those activities that support the delivery of its tripartite mission of research, education, and advisory service to a large constituency within the Commonwealth and globally;

WHEREAS, these activities include state mandated and sponsored research, advisory service to the Commonwealth, instruction, academic support (including library, information technology, communications, field operations, seawater research laboratory, analytical, and student services), institutional/administrative support, and plant operations;

WHEREAS, the fiscal year 2022-23 State appropriation for the Virginia Institute of Marine Science provides \$30.1 million in general funds support including newly funded initiatives in the amount of \$2.4 million, and \$1.1 million to support raises for faculty and staff and provide for fringe benefit adjustments; and

WHEREAS, the appropriation is further supplemented by non-general fund revenues estimated at \$25.2 million, the majority of which are due to externally funded grant and contract activities, and less than \$1 million attributable to tuition revenues;

THEREFORE, BE IT RESOLVED, That the Board of Visitors of the College of William & Mary in Virginia approves the FY 2022-23 operating budget of the Virginia Institute of Marine Science, as displayed on the attached schedule.

May 19, 2022

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**VIRGINIA INSTITUTE OF MARINE SCIENCE
FY 2022 ESTIMATED AND FY 2023 PROPOSED
REVENUE AND EXPENDITURES**

	Estimated 2021-2022 <u>Budget</u>	Proposed 2022-2023 <u>Budget</u>
<u>REVENUE</u>		
General Fund	\$26,855,751	\$30,104,971
Nongeneral Fund		
Education and General	1,888,402	1,888,402
Eminent Scholars	75,000	75,211
Sponsored Programs	23,250,000	23,250,000
Coronavirus Relief Funds	-	-
TOTAL REVENUE	\$52,069,153	\$55,318,584
<u>EXPENDITURES</u>		
Instruction	\$1,175,580	\$1,221,799
Research & Advisory Services	12,675,312	14,597,405
Academic Support	6,167,143	6,621,701
Institutional Support	3,287,211	3,406,752
Plant and Maintenance	5,117,905	5,763,925
Student Financial Assistance	321,002	382,002
Sponsored Programs	<u>23,325,000</u>	<u>23,325,000</u>
TOTAL EXPENDITURES	\$52,069,153	\$55,318,584

**VIRGINIA INSTITUTE OF MARINE SCIENCE
OPERATING BUDGET SUMMARY**

	2019-2020	2020-2021	Estimated	Proposed	
	<u>Actual</u>	<u>Actual</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>Variance</u>
			<u>Budget</u>	<u>Budget</u>	
<u>REVENUE</u>					
General Fund	\$24,985,752	\$25,043,444	\$26,855,751	\$30,104,971	\$3,249,220
Nongeneral Funds					
Educational/General	1,675,663	1,885,409	1,888,402	1,888,402	0
Eminent Scholars	57,686	60,244	75,000	75,211.00	211
Sponsored Programs	19,170,688	19,532,874	23,250,000	23,250,000	0
Coronavirus Relief Funds	-	32,363	-	-	-
Total Revenue	\$45,889,789	\$46,554,335	\$52,069,153	\$55,318,584	3,249,431
<u>EXPENDITURES</u>					
Instruction	\$1,046,436	\$1,039,740	\$1,175,580	\$1,221,799	\$46,219
Research and Advisory Services	11,498,833	12,282,366	12,675,312	14,597,405	1,922,093
Academic Support	5,416,102	5,234,648	6,167,143	6,621,701	454,558
Institutional Support	3,748,904	3,741,684	3,287,211	3,406,752	119,541
Plant Operations	4,458,659	4,263,512	5,117,905	5,763,925	646,020
Student Financial Assistance	321,002	321,002	321,002	382,002	61,000
Sponsored Programs/Eminent Scholars	<u>19,228,374</u>	<u>19,593,119</u>	<u>23,325,000</u>	<u>23,325,000</u>	<u>-</u>
Total Expenditures	\$45,718,310	\$46,476,070	\$52,069,153	\$55,318,584	\$3,249,431

REVISED RBC FY23 BUDGET PROPOSAL

A graphic is shown noting the differences in the budget presented on May 19, 2022, versus the budget being presented today, June 9, 2022. Further, below the graphic, there is some narrative describing the changes made to the previous version to arrive at this current version of the budget.

FY23 Richard Bland College Budget

Comparison of Proposed Budget Submitted 5-19-22 vs. Proposed Budget Submitted 6-9-22

	FY23 Proposed Budget 5-19-22	FY23 Proposed Budget 6-9-22	Budget Change
Operating Revenue			
State General Fund ¹	14,849,498	14,760,179	89,319
Tuition and E&G Fees ²	5,117,890	4,385,384	732,506
Auxiliary Revenue	3,568,259	3,568,259	0
Other Revenue ³	2,660,709	2,714,616	-53,907
Total Revenue	26,196,356	25,428,437	767,919

	FY23 Proposed Budget 5-19-22	FY23 Proposed Budget 6-9-22	Budget Change
Operating Expenditures			
Personnel			
Instruction ⁴	3,540,718	3,592,469	-51,751
Academic Support ⁵	2,024,351	1,319,439	704,912
Student Services ⁴	1,332,530	1,352,006	-19,476
Institutional Support ⁴	4,779,963	4,849,827	-69,864
Plant Operations ⁴	1,044,283	1,059,546	-15,263
Auxiliary Services ⁴	662,053	671,730	-9,677
Athletics ⁴	750,018	760,980	-10,962
Total, Personnel	14,133,916	13,605,997	527,919
Total, Non-Personnel Services ⁶	10,508,660	10,268,660	240,000
Financial Aid	1,553,780	1,553,780	0
Total Expenditures	26,196,356	25,428,437	767,919

1. State General Fund – The change in this line item is due to two additional items being included in the Conference Report which are \$334,600 for compliance funding and \$300,000 for student success initiatives, both of which were priority requests of the Governor and General Assembly. Further, the previous two amounts were netted with the removal of a third priority request (\$723,919) for expansion of online programs that was not funded in the Conference Report.

2. Tuition and E&G Fees – The change in this line item includes the removal of \$600,000 in revenue related to the Verto program. The additional change of \$132,506 in this line is the removal of the effect of the 5% tuition increase originally requested in May 2022.
3. Other Revenue – The adjustment in this category is a slight increase to the budgeted revenue related to the new DroneUp initiative.
4. All Personnel Categories (Less Academic Support) – The Conference Report of the General Assembly includes \$1,000 bonus for each employee. The change in each personnel category (other than academic support) is due to adding the bonus expense to the budget.
5. Academic Support – The change in this personnel category is due to adding the bonus expense mentioned above in item 4 as well as removing a planned and budgeted expense related to the priority request for expansion of online programs as this funding is not included in the Conference Report for RBC.
6. Non-Personnel Services – This line changed by adding \$300,000 in additional expenses as a result of receiving that amount for student success initiatives. This was netted with the removal of \$540,000 in expenses related to the Verto program.

**RICHARD BLAND COLLEGE
APPROVAL OF 2022-2023 OPERATING BUDGET PROPOSAL**

The FY23 operating budget for Richard Bland College (RBC) is presented below.

Revenue Budget

Three major sources of revenue support RBC's operations:

1. state general fund appropriations to support the academic mission (*i.e.*, E&G program) and need-based student financial aid,
2. student tuition and mandatory E&G fees to support the academic mission, and
3. student fees for auxiliary programs, including housing, dining, and student activities.

The FY23 budget reflects state general fund support appropriated for RBC based on proposed actions of the 2022 General Assembly Session. In addition, it includes anticipated tuition and fee revenue based conservatively on 17,748 credit hours for the 2022-2023 academic year.

The auxiliary revenue estimates for FY23 are conservatively based on a 70% occupancy level. Other sources of auxiliary revenue are based on student dining contracts and the comprehensive auxiliary fee paid by students, which is used to support athletics, student recreational services, parking, transportation, and other student programs.

In total, projected revenues for FY23 are expected to reach \$25.4 million as reflected in the table below.

Expenditure Budget

A zero-based budgeting approach was employed to derive the expenditure side of the FY23 operating budget. The FY23 budget reflects anticipated personnel and non-personnel costs by major program (*i.e.*, Educational & General, Financial Aid, and Auxiliary Services).

In total, expenditures for FY23 are expected to be \$25.4 million as shown in the table below.

FY23 Richard Bland College Operating Budget Summary

Revenue	FY22 Approved Budget	FY23 Proposed Budget	Change from Prior Year	
			\$ Change	% Change
State General Fund ¹	11,924,694	14,760,179	2,835,485	24%
Tuition and E&G Fees ²	8,780,930	4,385,384	-4,395,546	-50%
Auxiliary Revenue	4,302,667	3,568,259	-734,408	-17%
Other Revenue ³	1,982,483	2,714,616	732,132	37%
Total Revenue	26,990,774	25,428,437	-1,562,337	-6%

Operating Expenditures	FY22 Approved Budget	FY23 Proposed Budget	Change from Prior Year	
			\$ Change	% Change
Personnel				
Instruction	4,160,733	3,592,469	-568,264	-14%
Academic Support ⁴	182,180	1,319,439	1,137,259	624%
Student Services	1,175,711	1,352,006	176,295	15%
Institutional Support	5,192,506	4,849,827	-342,679	-7%
Plant Operations	1,200,964	1,059,546	-141,418	-12%
Auxiliary Services	672,833	671,730	-1,103	-0%
Athletics	495,472	760,980	265,508	54%
Total, Personnel	13,080,399	13,605,997	525,598	4%
Total, Non-Personnel Services	11,588,132	10,268,660	-1,319,472	-11%
Financial Aid	2,322,243	1,553,780	-768,463	-33%
Total Expenditures	26,990,774	25,428,437	-1,562,337	-6%

¹ Includes Financial Aid

² Net of tuition waivers and allowance for doubtful accounts

³ Other revenue includes prior year cash received for HEERF

⁴ Includes realignment of positions from instruction and institutional support programs

THEREFORE, BE IT RESOLVED, that upon recommendation of the President, the William & Mary Board of Visitors approves the FY 2023 operating budget for Richard Bland College as presented above.

**Resolution 4-R approved as amended. The amended budget summary is on page 10 of the minutes.*

FY23 Richard Bland College Operating Budget Summary

Amended as per Executive Committee Meeting on June 9, 2022

Operating Revenue	FY22 Approved Budget	FY23 Proposed Budget	Budget Change \$	Budget Change %
State General Fund ¹	11,924,694	14,872,864	2,948,170	25%
Tuition and E&G Fees ²	8,780,930	4,385,384	-4,395,546	-50%
Auxiliary Revenue	4,302,667	3,568,259	-734,408	-17%
Other Revenue ³	1,982,483	2,264,616	282,133	14%
Total Revenue	26,990,774	25,091,121	-1,899,653	-7%

Operating Expenditures	FY22 Approved Budget	FY23 Proposed Budget	Budget Change \$	Budget Change %
Personnel				
Instruction	4,160,733	3,564,215	-596,518	-14%
Academic Support	182,180	1,309,062	1,126,882	619%
Student Services	1,175,711	1,341,373	165,662	14%
Institutional Support	5,192,506	4,811,684	-380,822	-7%
Plant Operations	1,200,964	1,051,213	-149,751	-12%
Auxiliary Services	672,833	666,447	-6,386	-1%
Athletics	495,472	754,995	259,523	52%
Total, Personnel	13,080,399	13,498,988	418,589	3%
Total, Non-Personnel Services	11,588,132	10,038,353	-1,549,779	-13%
Financial Aid	2,322,243	1,553,780	-768,463	-33%
Total Expenditures	26,990,774	25,091,121	-1,899,653	-7%

¹ Includes Financial Aid

² Net of tuition waivers and allowance for doubtful accounts

³ Other revenue includes prior year cash received for HEERF