



Committee on Financial Affairs

Board of Visitors
November 17, 2023

**I.
Unaudited
Reports
(Action)**

**II.
Graduate &
Professional
Tuition
(Action)**

**III.
UG Tuition
Benchmark
(Discussion)**



I. Unaudited Reports

FY22 Consolidated Financial Statements



October

Staff submitted unaudited statements to Virginia Department of Accounts based on Commonwealth's reporting schedule



Today's Action

BOV receives unaudited consolidated financial report



Future Actions

1/24: Auditor of Public Accounts begins audit
4/24: BOV Audit, Risk and Compliance Committee receives audit report (substantially complete)

Consolidated statements reflect all 3 entities under BOV control

- As required by GASB, statements consolidate all entities under BOV
 - **“The University”** includes William & Mary (W&M) and Virginia Institute of Marine Science (VIMS), and “The College” is Richard Bland College (RBC)
- Standards also require “Component Units” to be consolidated
 - W&M Foundation
 - VIMS Foundation
 - RBC Foundation
 - Marshall-Wythe School of Law Foundation
 - School of Business Foundation
 - William & Mary Alumni Association
 - William & Mary Real Estate Foundation
 - Athletics Education Foundation (“Tribe Club”)
 - Intellectual Property Foundation

VA's reporting process requires significant coordination and time

- Prepared under the accrual basis of accounting
 - Revenue recognized when earned rather than received
 - Expenses recognized when incurred rather than paid
- W&M Financial Operations leads coordinated effort
 - W&M prepares W&M and VIMS statements
 - RBC prepares RBC statements
 - 9 component units submit independent financial statements
- Included in VA's Comprehensive Annual Financial Report
- Reporting and compilation begins in July; audit complete in April/May

Summary of Changes FY22-FY23

- Net position grew
 - Assets: Capital projects
 - Deferred Inflows/Outflows: Pension and post-employment benefits
 - Liabilities: Payables related to capital projects

- Revenue increases
 - Operating: Tuition and auxiliary enterprises
 - Tuition increase due to enrollment growth and incremental increases in graduate and professional programs
 - Auxiliary revenue increased due to continued return to normal operating levels
 - Non-operating: Market conditions on investments improved along with increases in appropriations
 - Other: Capital appropriations

- Expense increases
 - Salaries and wages and benefits along with return to normal operating levels post pandemic

Total net position up 19.6% or \$163.5M.

	FY23		FY22		% Change	
	University	Component Units	University	Component Units	University	Component Units
Assets	\$1,614.7	\$1,436.9	\$1,464.9	\$1,387.2	10.2%	3.6%
Deferred Outflows	29.3	--	33.5	--	(12.5%)	--
Liabilities	603.1	73.5	581.1	68.4	3.8%	7.5%
Deferred Inflows	43.9	--	83.8	--	(47.6%)	--
Total Net Position	\$ 997.0	\$1,363.4	\$ 833.5	\$1,318.8	19.6%	3.4%

Revenue growth driven by operating and non operating revenue dollars

	FY23		FY22		% Change	
	University	Comp Units	University	Comp Units	University	Comp Units
Operating	\$397.1	\$30.0	\$371.6	\$29.5	6.9%	1.7%
Non-Operating (net)	192.0	67.2	138.0	(15.5)	39.1%	533.6%
Other	138.3	26.8	102.1	34.7	35.5%	(22.8%)
Total Revenue	\$727.4	\$124.0	\$611.7	\$48.7	18.9%	154.6%

All operating revenue increased

Operating Revenues	FY23	FY22	Dollar Change	% Change
Student Tuition and Fees, net of scholarship allowances	\$ 216.4	\$ 209.8	\$6.6	3.2%
Federal, State, Local /Non-governmental grants and contracts	54.9	47.8	7.1	14.9%
Auxiliary Enterprise, net of scholarship allowances	112.0	102.2	9.8	9.6%
Other	13.8	11.8	2.0	16.9%
Total Operating Revenues	\$397.1	\$371.6	\$ 25.5	6.9%

State and capital appropriations grew

Non-Operating Revenues	FY23	FY22	Dollar Change	% Change
State Appropriations	\$120.1	\$105.2	\$ 14.9	14.2%
Gifts, Investment Income and other income and expenses	71.8	32.8	39.0	118.9%
Total Non-Operating	\$191.9	\$138.0	\$53.9	39.1%
Other Revenues, Gains and (Losses)	FY23	FY22	Dollar Change	% Change
Capital Appropriations	\$ 128.4	\$ 93.4	\$35.0	37.5%
Capital Grants and Gifts	11.5	8.4	3.1	36.9%
Loss on disposal of assets	(1.6)	0.2	1.8	900.0%
Total Other Revenues, Gains and (Losses)	\$ 138.3	\$ 102.0	\$ 36.3	35.6%
TOTAL REVENUES	\$ 727.3	\$ 611.6	\$ 115.7	18.9%

Expenses increased 10.1%

Categories	FY23	FY22	Dollar Change	% Change
Instruction	\$152.5	\$141.9	\$ 10.6	7.5%
Research/Public Service	68.5	58.5	10.0	17.1%
Academic Support	53.5	45.1	8.4	18.6%
Student Services	24.5	15.8	8.7	55.1%
Institutional Support	60.2	54.0	6.2	11.5%
Plant Operations	32.6	34.1	(1.5)	(4.4%)
Student Aid*	22.5	30.4	(7.9)	(26.0%)
Auxiliary Enterprises	102.4	87.5	14.9	17.0%
Depreciation	47.0	44.8	2.2	4.9%
Other	0.2	0.0	0.2	100.0%
Total Expenditures	\$563.9	\$512.1	51.8	10.1%

*Student aid is calculated net of scholarship allowances.

Resolution 12: Receive Unaudited FY23 Consolidated Financial Report

THEREFORE, BE IT RESOLVED, that the Unaudited Consolidated Financial Report for the Year Ended June 30, 2023 for William & Mary, Virginia Institute of Marine Science, and Richard Bland College is hereby received by the Board of Visitors

FY23 Unaudited Athletics Financial Report

- NCAA requires annual online report
- Virginia APA is responsible for review of statements to ensure that they meet NCAA Agreed-Upon Procedures Guidelines



Revenue grew 10.0% - return to normal operations

Operating Revenues	FY23	FY22	% Change
Ticket sales	\$ 949,800	\$ 773,500	22.8%
Student fees	16,989,500	15,805,600	7.5%
Indirect institutional support	580,900	919,600	(36.8%)
Contributions	6,525,600	4,871,000	34.0%
NCAA Distributions	1,396,800	1,124,300	24.2%
Royalties, licensing, advertising and sponsorships	1,014,600	945,900	7.3%
Endowment and investment income	5,271,500	4,990,500	5.6%
All Other	1,316,100	1,510,900	(12.9%)
Total Revenue**	\$34,044,800	\$30,941,300	10.0%

** Figures may not add due to rounding.

Expenditures increased 13.1%

Operating Expenditures	FY23	FY22	% Change
Athletic Student Aid	\$ 10,651,600	\$ 10,072,400	5.8%
Coaching Salaries & Benefits	6,454,800	5,882,500	9.7%
Staff Salaries & Benefits	5,547,800	4,710,000	17.8%
Team Travel	2,352,200	1,726,200	36.3%
Severance Payments	375,500	539,400	(30.4%)
Facility Debt Service, Leases & Rental Fees	1,697,500	1,515,200	12.0%
Direct Overhead & Administration Costs	1,652,900	1,199,100	37.9%
Sports Equipment, Uniforms & Supplies	1,183,200	1,134,000	4.3%
Game Expenses	1,213,600	902,900	34.4%
All Other Expenses	3,621,900	3,046,000	18.9%
Total Expenses*	\$34,751,000	\$30,727,700	13.1%
Net Income	(\$706,200)	\$213,600	

* Figures may not add due to rounding.

Resolution 13: Receive FY23 Unaudited Athletics Financial Report

THEREFORE, BE IT RESOLVED, that the Unaudited Financial Report of William & Mary's Intercollegiate Athletics Department for the Year Ended June 30, 2023, is hereby received by the Board of Visitors



II. Graduate & Professional Tuition

Current Guidance: Graduate & Professional Rates

- Tuition rates are based on market analysis within specific professional and graduate markets
- Considerations:
 - Competitiveness within the relevant market
 - Personal focus of W&M's unique offerings

General Graduate Tuition Rate

- *Proposed: no increase for FY25*
- General Graduate Rate applies to programs in Arts & Sciences, Marine Science and Education
- Market analysis to be performed in FY24

	FY24		Proposed FY25		Dollar Change	
	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>
General Graduate Tuition						
Full-time Graduate Rate	\$ 10,905	\$ 29,352	\$ 10,905	\$ 29,352	\$ -	\$ -
Part-time Including Summer Session(s) (Per Credit Hour)	\$ 606	\$ 1,631	\$ 606	\$ 1,631	\$ -	\$ -

Law School Tuition Rate

- *Proposed:* inflationary adjustment for JD, 3.9%, having reached goals of being near the mean relative to law schools ranked 25-45. Market based competitive rate for M.L.S. program.

	FY24		Proposed FY25		Dollar Change	
	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>
Law School						
Juris Doctor (J.D.)						
Incoming	\$ 36,418	\$ 58,604	\$ 37,838	\$ 60,890	\$ 1,420	\$ 2,286
Continuing 2L	\$ 36,418	\$ 58,604	\$ 37,838	\$ 60,890	\$ 1,420	\$ 2,286
Continuing 3L	\$ 33,252	\$ 51,279	\$ 34,550	\$ 53,280	\$ 1,298	\$ 2,001
Residential LLM	\$ 36,418	\$ 58,604	\$ 37,838	\$ 60,890	\$ 1,420	\$ 2,286
Online LLM (Per Credit Hour)	\$ 1,460	\$ 1,460	\$ 1,460	\$ 1,460	\$ -	\$ -
M.L.S. (Per Credit Hour)	\$ -	\$ -	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250

School of Business Graduate Tuition Rates

	FY24		Proposed FY25		Dollar Change	
	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>
Business School (Full Program)						
Master of Accounting	\$ 29,915	\$ 40,947	\$ 29,915	\$ 40,947	\$ -	\$ -
MBA Program	\$ 30,391	\$ 41,660	\$ 30,391	\$ 41,660	\$ -	\$ -
MS in Business Analytics	\$ 39,690	\$ 47,078	\$ 39,690	\$ 47,078	\$ -	\$ -
Executive MBA (Total Program)	\$ 120,750	\$ 120,750	\$ 120,750	\$ 120,750	\$ -	\$ -
Military MBA	\$ 53,500	\$ 53,500	\$ 53,500	\$ 53,500	\$ -	\$ -
Business School (Per Credit Hour)						
Flex MBA	\$ 919	\$ 1,339	\$ 1,019	\$ 1,439	\$ 100	\$ 100
Online MBA	\$ 1,425	\$ 1,425	\$ 1,425	\$ 1,425	\$ -	\$ -
Online MSBA Pre-Requisites	\$ 800	\$ 800	\$ 800	\$ 800	\$ -	\$ -
Online MSBA Core Program	\$ 1,406	\$ 1,406	\$ 1,406	\$ 1,406	\$ -	\$ -
Online Master in Finance	\$ 1,406	\$ 1,406	\$ 1,406	\$ 1,406	\$ -	\$ -
Online FBA Certificate First 4 Courses	\$ 800	\$ 800	\$ 800	\$ 800	\$ -	\$ -
Online FBA Certificate Final Course	\$ 1,406	\$ 1,406	\$ 1,406	\$ 1,406	\$ -	\$ -
Online Finance Certificates (Investement Management, Corporate, Real Estate)	\$ 1,406	\$ 1,406	\$ 1,406	\$ 1,406	\$ -	\$ -
Online Master of Accounting Pre-Requisites	\$ 800	\$ 800	\$ 800	\$ 800	\$ -	\$ -
Online Master of Accounting Core Program	\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,125	\$ -	\$ -
Online Master in Marketing	\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,125	\$ -	\$ -

School of Education Graduate Tuition Rates

- *Proposed:* EverSpring market analysis in FY22 showed median cost per credit of \$816 of all comparable programs. Education is phasing increases in over three years to reach \$825 per credit by FY26.

	FY24		Proposed FY25		Dollar Change	
	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>
School of Education (Per Credit Hour)						
Online MEd in Counseling	\$ 725	\$ 725	\$ 775	\$ 775	\$ 50	\$ 50
Executive Doctorate of Education (E-EdD)	\$ 950	\$ 950	\$ 950	\$ 950	-	-

Resolution 14: Approval of FY 2025 Graduate and Professional

THEREFORE, BE IT RESOLVED, That the Board of Visitors of The College of William and Mary in Virginia approves the Graduate and Professional tuition outlined in Tables 1-3 for FY25;

THEREFORE, BE IT ALSO RESOLVED, that the Board will adopt comprehensive fees for students of all schools at its regularly scheduled meeting in April 2024.



III. UG Tuition Benchmark

Discussion: Undergraduate Tuition Setting Benchmark

Topic: W&M sets undergraduate tuition rate increases using the annual CPI rolling average of the three prior calendar years.

- W&M tuition is at the top of the VA market, enabling the university to meet its commitments to highly personal and high-quality educational experiences
- Indexing to CPI flattens the curve of increases by managing to known inflation
- Indexing to CPI enables planful reallocation in years where specific cost pressures related to state actions exceed general inflation
- An algorithmic method provides predictability for families
- Retrospective average smooths the impact of changes

Average Annual Inflation vs. Tuition Increases

	2020	2021	2022	2023 ¹	3 Year Average
CPI Annual Average ²	1.2%	4.7%	8.0%	4.4%	5.7%

	FY21	FY22	FY23	FY24	FY25 6YP
In-State Undergraduate Increase	0%	0%	4.7%	4.7%	3%
Out-of-State Undergraduate Increase	0%	0%	4.9%	4.9%	3%

¹2023 annual average through September.

²CPI is from Bureau of Labor Statistics for All Urban Consumers U.S. City Average series for all items.



Discussion



Appendix 1

Graduate and Professional Tuition

Law School Tuition Comparisons

- Compared to Law Schools ranked 25-45 and are near the mean so no market adjustment requested.
- Utilized three-year CPI average to assess inflationary impacts and landed on 3.9% increase to recognize some inflationary costs, but not the full three-year average of over 5%.
- The Law School conducted a market analysis for MLS programs in the VA, NC and DC regions. Current positioning in market relative to peers reputationally led to proposal of \$1,250 to price the program as competitive while also reflecting the quality of W&M's education.

Business School Tuition Increase

- Graduate business programs are experiencing market pressures and competition from online graduate business programs with lower tuition rates.
- The Mason School proposes to hold most tuition flat in an effort to remain competitive.
- Small increase per credit hour for PTMBA brings per credit hour rate closer to its competition within the Commonwealth of Virginia.

School of Education Tuition Increase

- Proposal moves program to market over three-year period
- Creates financial sustainability to support a program that has grown 200% since 2020
- Clinical programs are personnel intensive and increased revenue is necessary to hire faculty to keep program within ratios required by accrediting body

EverSpring Market Analysis

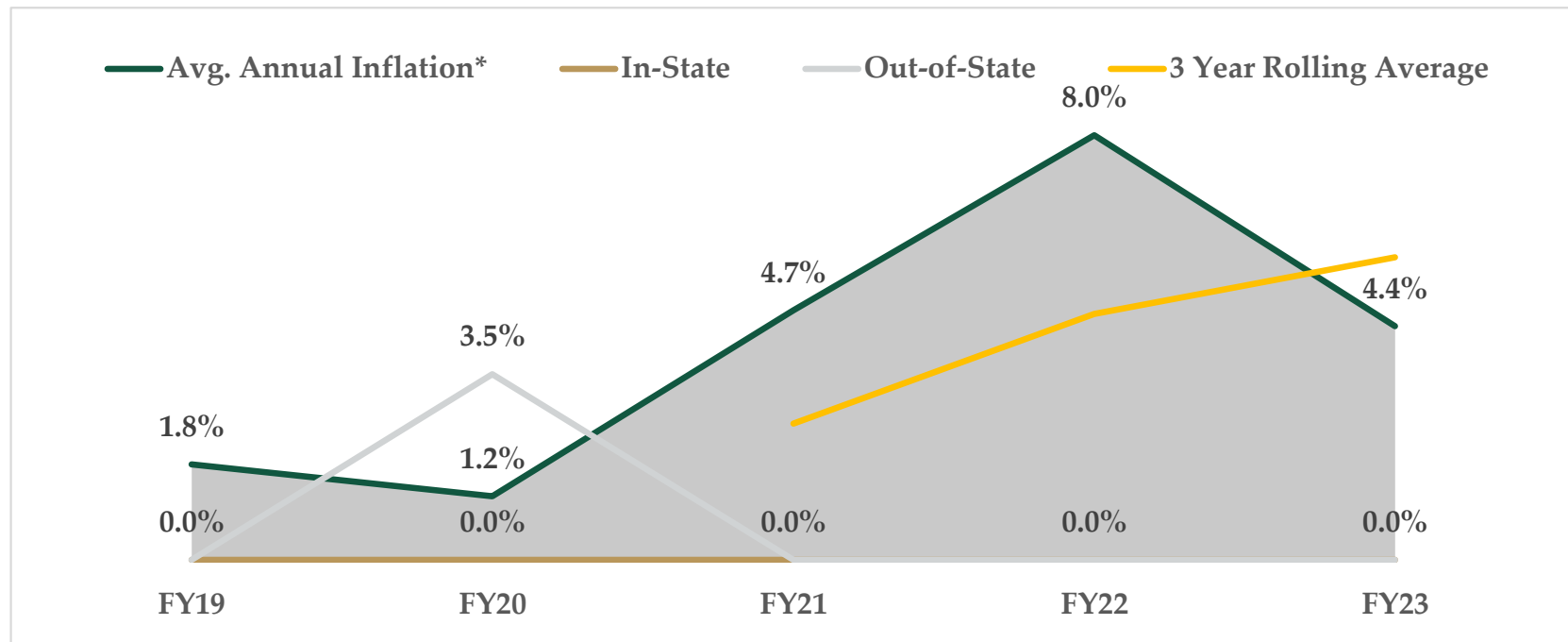
Institutions	Credits	Cost Per Credit	Total Tuition
Median – All Programs	60	\$816	\$48,960
Median – Top 200 Schools	60	\$1,521	\$91,260
W&M - Current	60	\$665	\$39,900



Appendix 2

UG Tuition Algorithm

Over 20% inflation with flat tuition



*CPI is from Bureau of Labor Statistics for All Urban Consumers U.S. City Average series for all items. Calculated using calendar year averages for each fiscal year.