

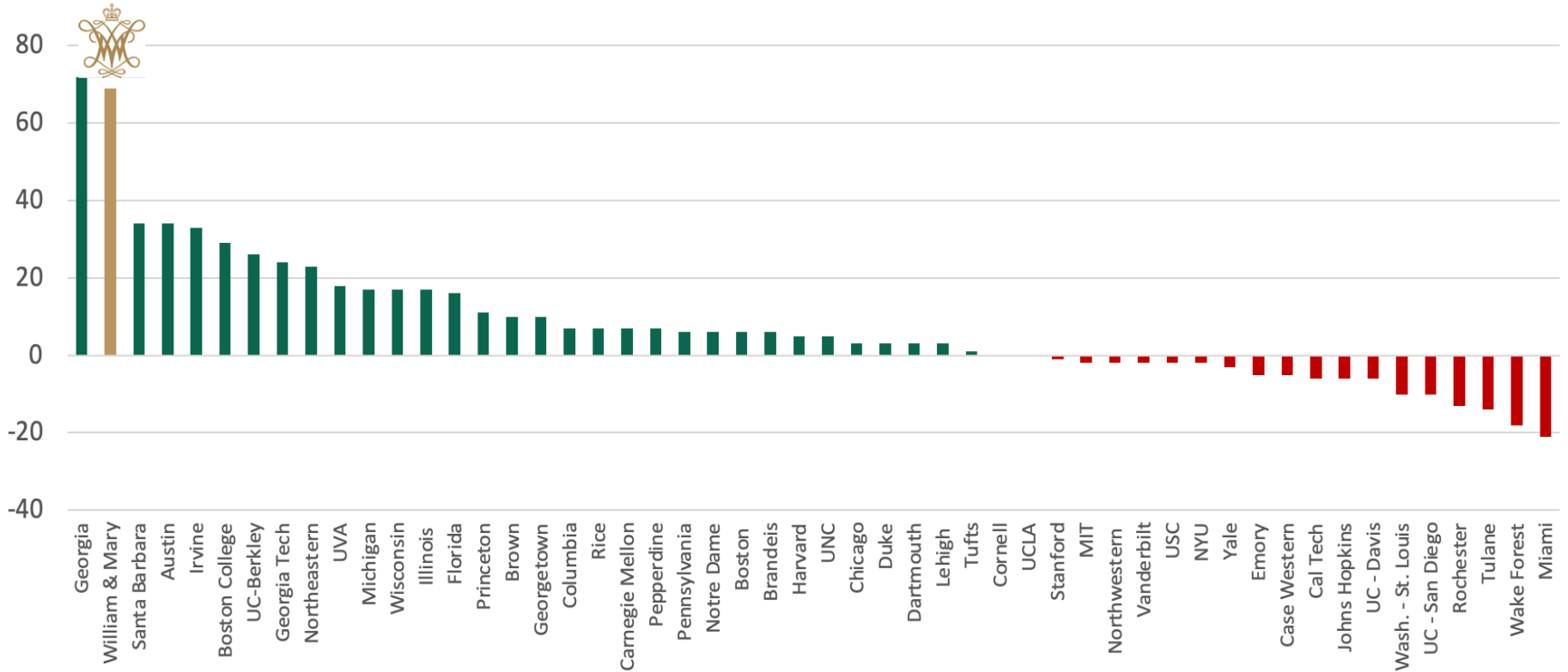


*Hypothetical:*  
Four-Year Tuition Scenarios  
FY24-FY27

Board of Visitors  
November 18, 2022

# W&M Prizes Efficiency and Return On Mission

2020 USNWR TOP 50 UNIVERSITIES, SHOWING "RANK ABOVE RESOURCES"



# Hypothetical Four-Year Flat: What's Included in the Base Case

## Drivers

- 0% UG tuition increases
- 12:1 faculty to student ratio
- 2%-5% mandated salary increases
- 1%-2.5% mandated benefits increases
- 3% annual inflation increases
- 25% VMSDEP participation increases

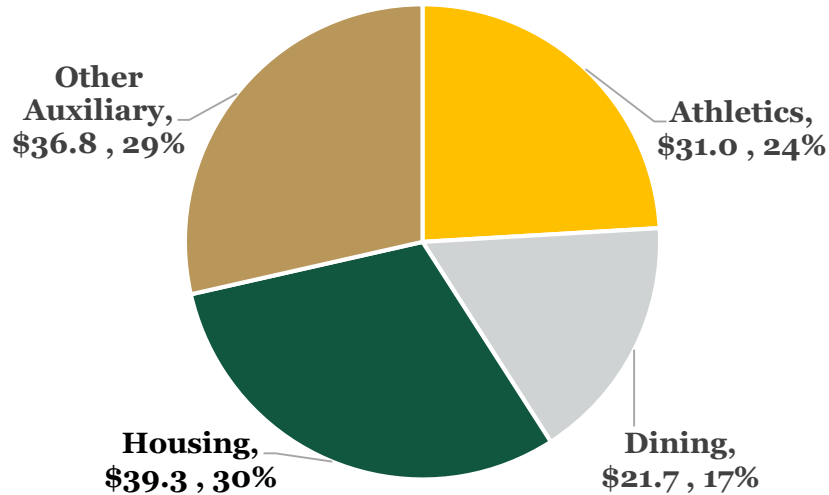
**[Not included: unexpected downturns]**

## Levers

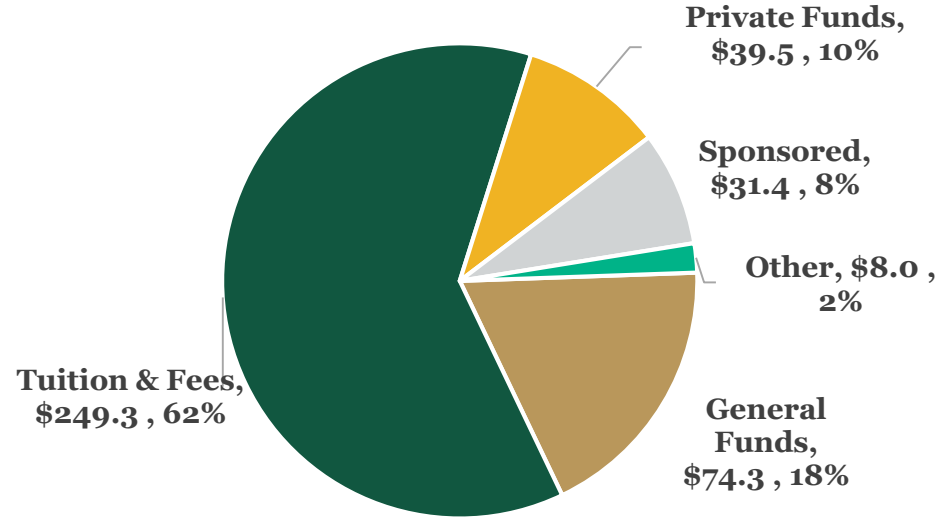
- Undergraduate enrollment optimized at current capacity
- Modeled In-State vs Out-of-State ratio
- All graduate tuition brought to market
- Faculty productivity
- Continuing operational efficiencies

# Total Annual Budget 2023

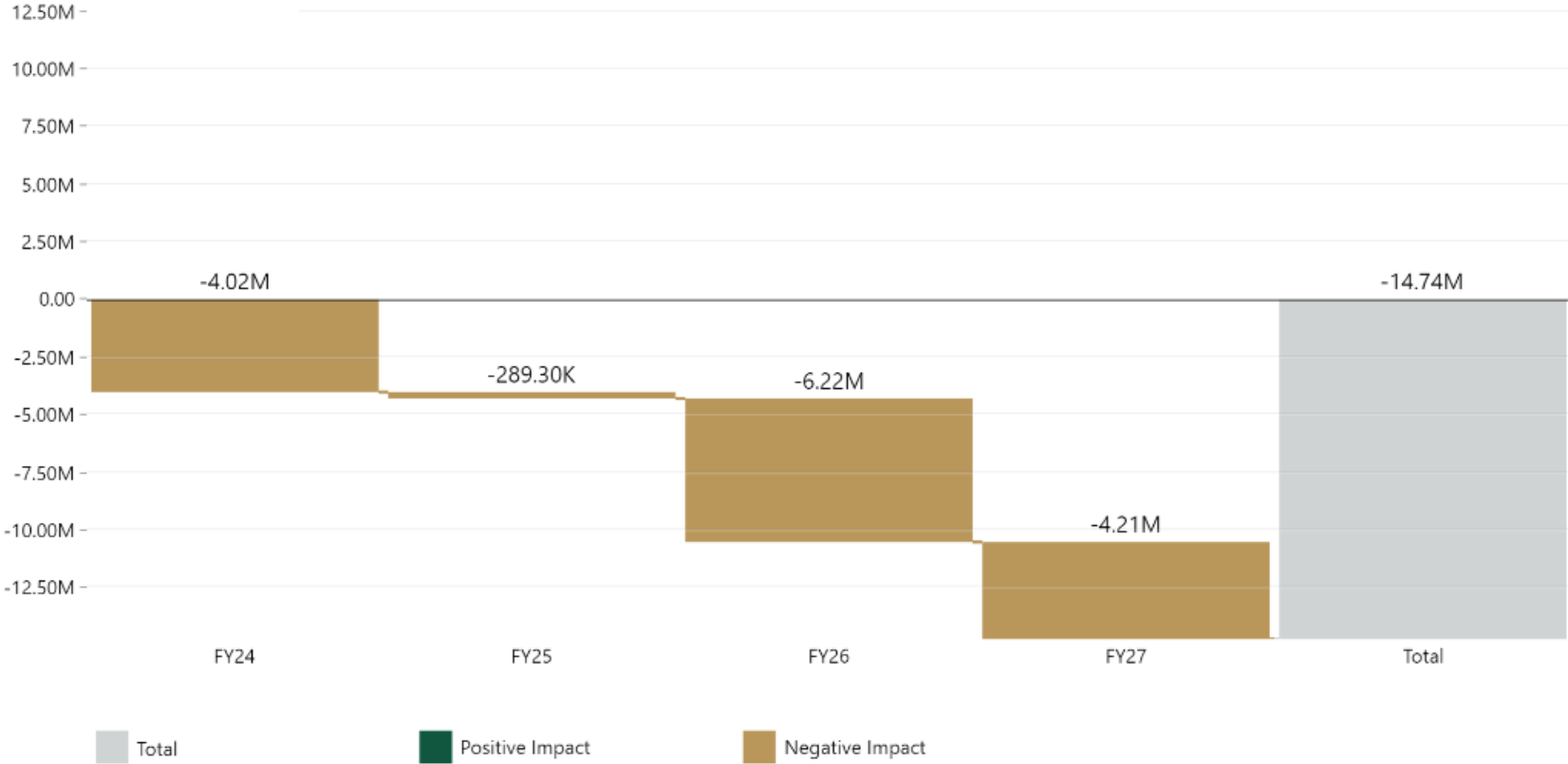
Restricted Funding: \$128.8M / 24%



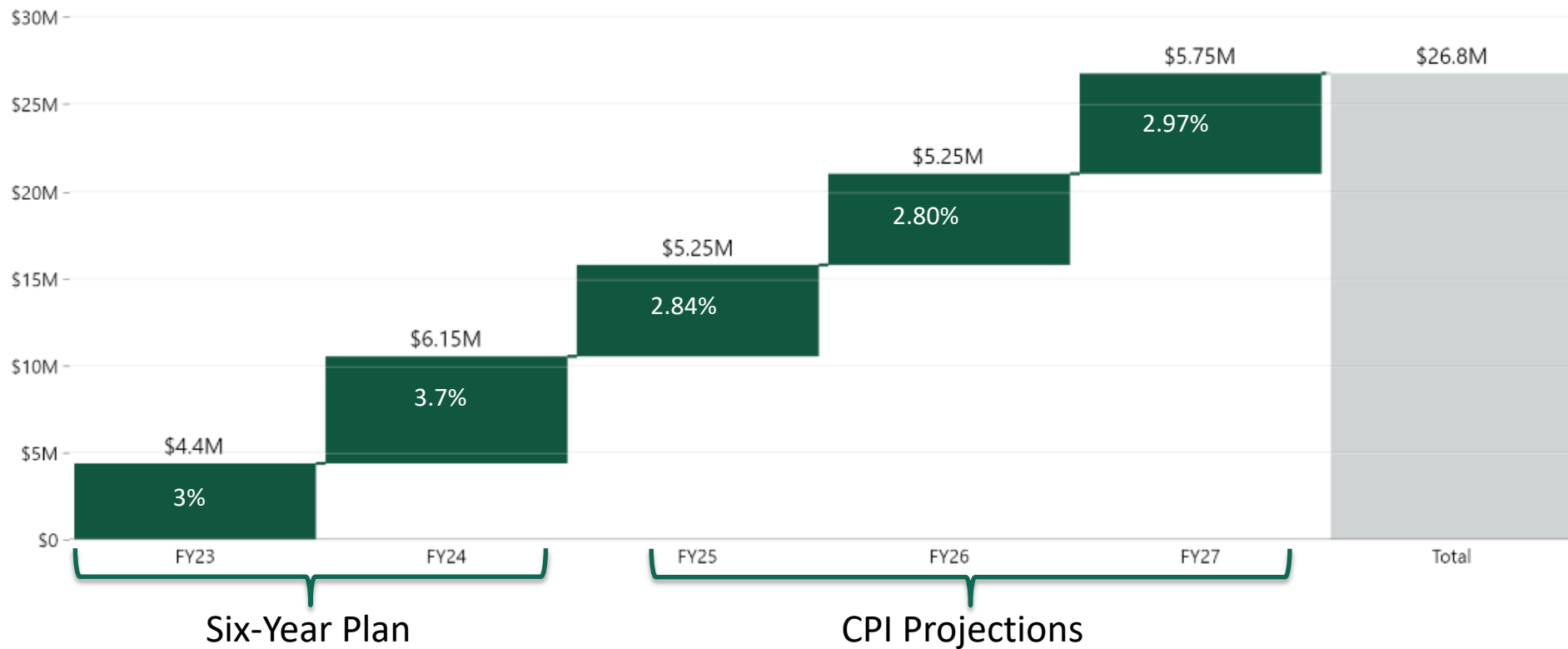
Academic Budget: \$402.4M / 76%



# Four-Year Flat: Compounding Reductions to Educational Mission



# Compounded Forgone Revenue Growth



# Four-Year Flat Tuition: Quality and Strategy Considerations

## Continuing investments

- 12:1 student to faculty ratio
- Vision 2026
  - Internships
  - Data
- Housing & Dining Phase I
- Privately funded activities
- Maintain debt capacity
- Pell growth via reallocation

## Potential impacts

- Class sizes continue to grow
- Minimal financial aid growth
- Downward pressure on rankings
  - Negative admissions impact
  - Decreased alumni engagement
- Cannot invest strategically:
  - Summer semester
  - National marketing
  - 2030 Carbon Neutrality
  - IT

## Reminder: Productivity Gains over Past 5 Years

### Operational Efficiencies

- New procurement to pay system
- New UG admissions system
- New Sponsored Programs and Research Compliance System
- New ePayables vendor
- Automated e-signature routing
- 5,000 RPA hours

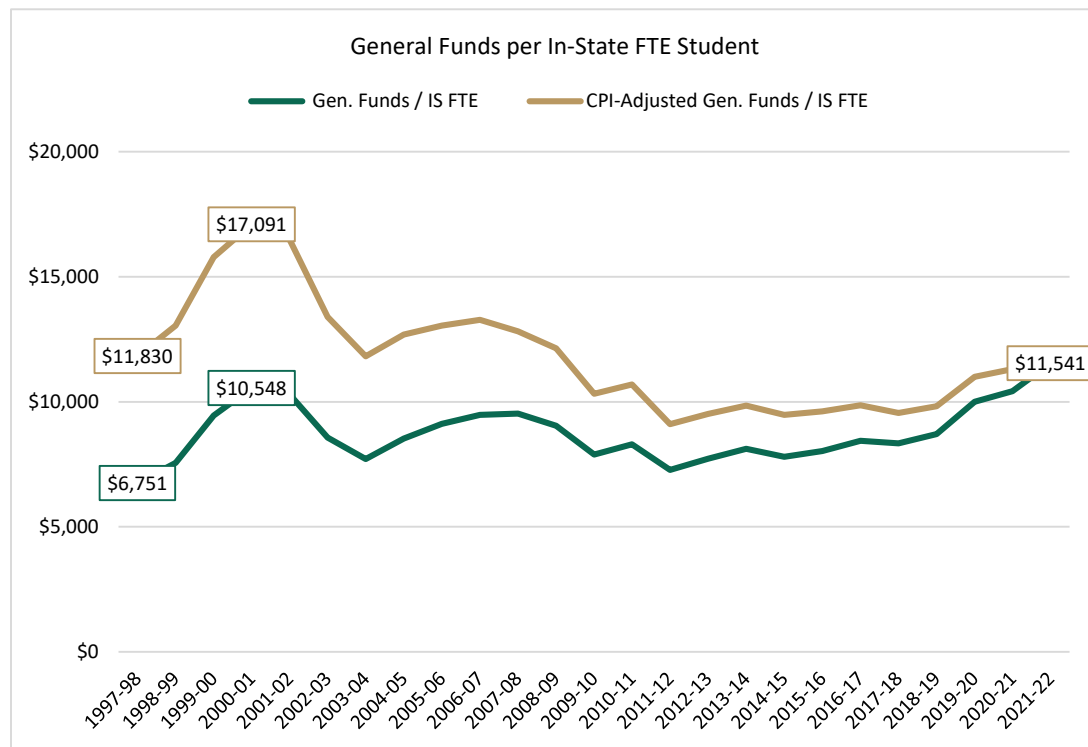
### Personnel & Operating Expense

- Personnel reductions ~4%
  - Hiring freeze
  - Reorganization / realignment
- Ops expense reductions ~2.5%
  - Strategic sourcing
  - Business meals and catering



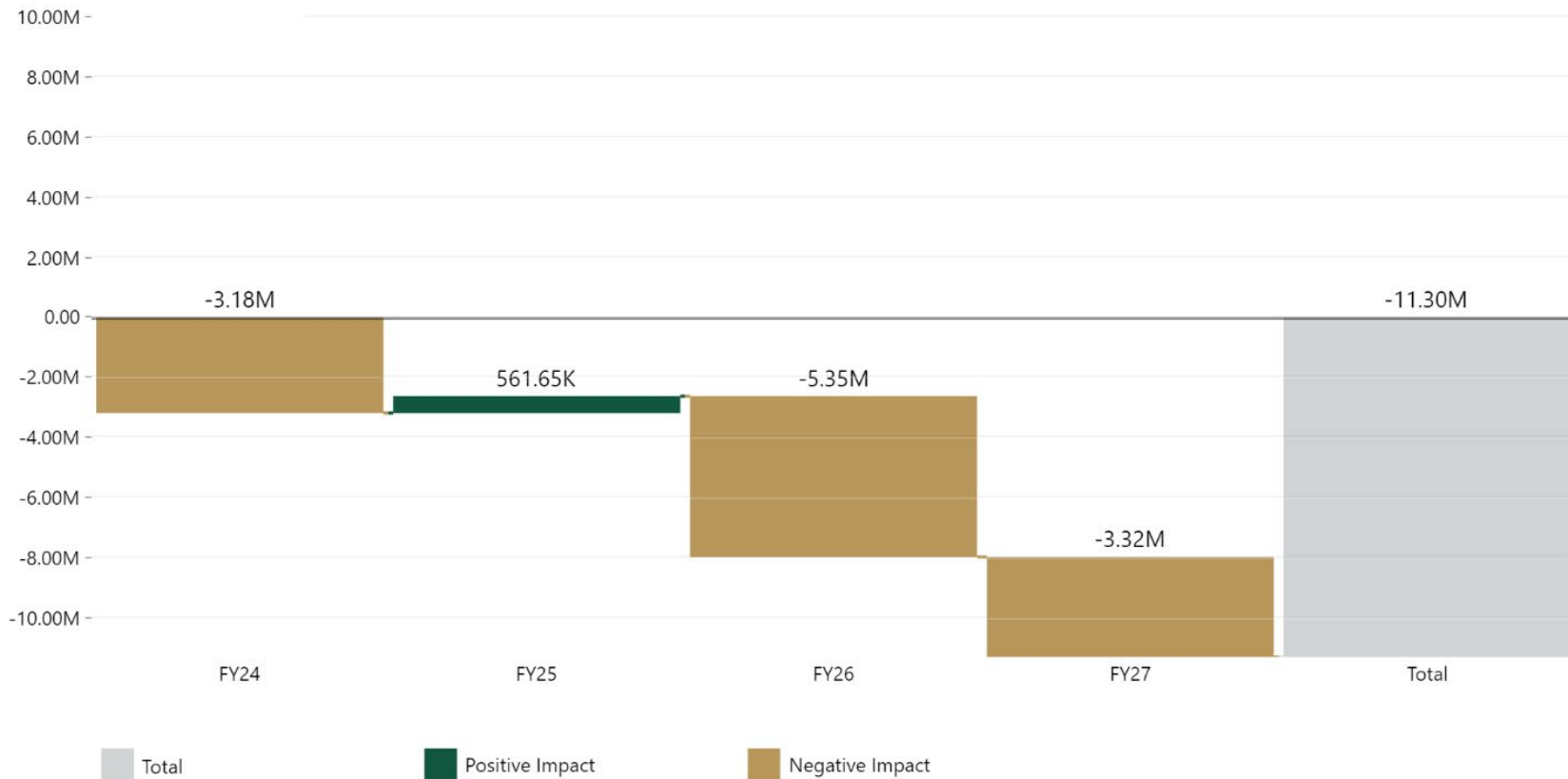
## Potential Revenue Sources: State Support

- State support offsets the need for tuition increases
- Adjusted for inflation, general fund support remains **-32.5%** below the FY01 level
- The Commonwealth could move to restore inflation adjusted funding levels to higher education

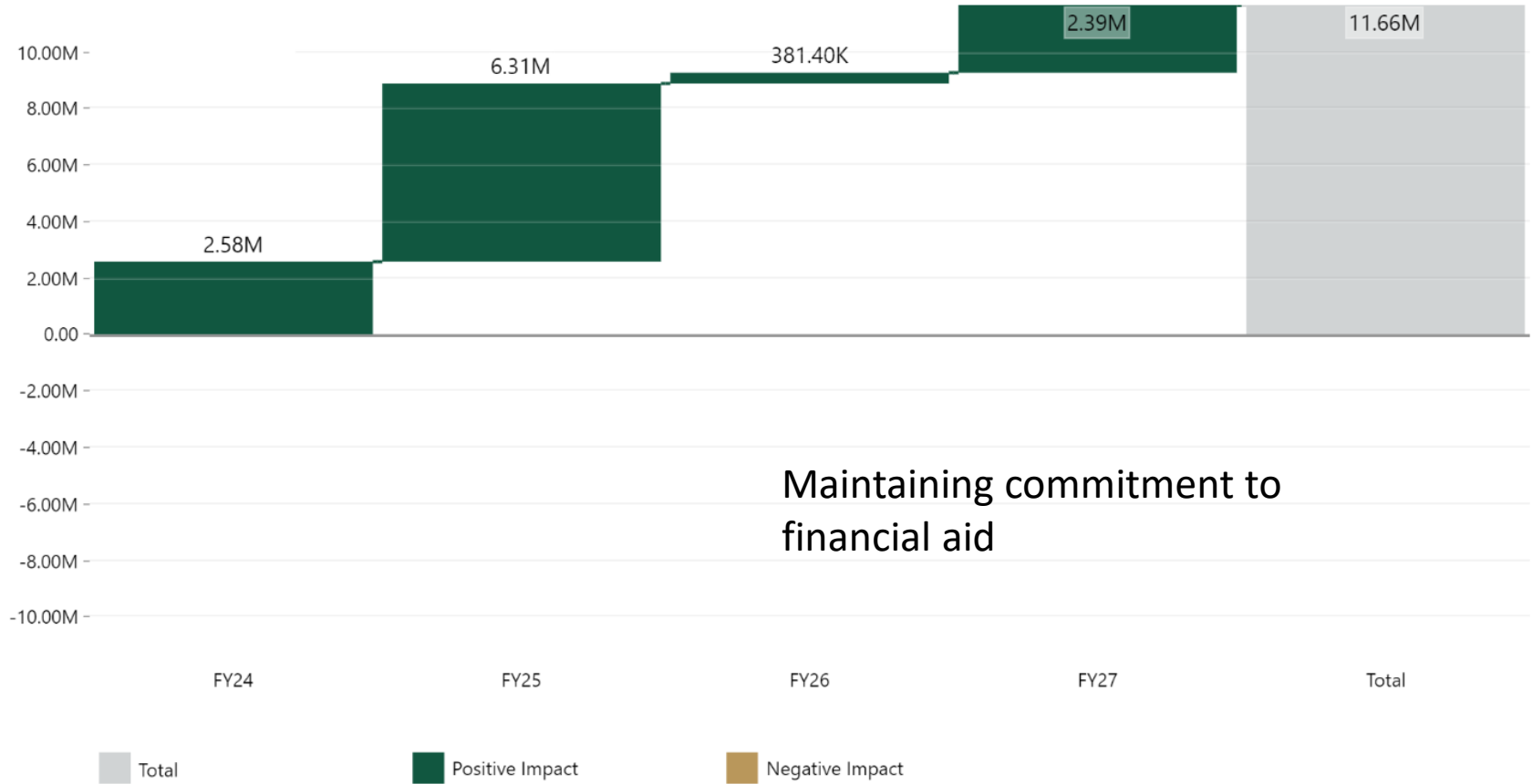


<sup>1</sup> E&G funding only

## Alternative 1: Base Case + 2% Promise Tuition



## Alternative 2: Base Case + UG In-Major Fee



## Alternative 3: Base Case + 10-Year Trailing CPI Average

