

**GEORGE MASON UNIVERSITY
BOARD OF VISITORS**

**Finance and Land Use Committee Meeting
May 5, 2016**

AGENDA

- I. Call to Order
- II. Approval of Minutes for March 31, 2016 (**ACTION**)E-3
- III. University Operating Budget, Tuition and Fees (**ACTION**).....E-5
- IV. Closed Session – Public Contract (Code of VA: §2.2-3711.A.29)
- V. New Business
 - A. University Controller Review and APA Audit of Financial Statements
for Year Ended June 30, 2015.....E-7
 - B. Higher Education Autonomy..... E-9

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GEORGE MASON UNIVERSITY
FINANCE & LAND USE COMMITTEE
BOARD OF VISITORS

MINUTES

March 31, 2016

11:40 a.m. – 12:50 p.m.

Merten Hall, Room 1201, Fairfax Campus

PRESENT: Chairman Peterson; Interim Vice Chairman Mendelsohn, Visitors Ahmed, Alcalde, Cumbie, Jacquemin, Sheikh; Senior Vice President Davis; Vice President Calhoun; Student Representatives Bhatia, Van Buren; Secretary *pro tem* Wilson.

I. Call to Order

Chairman Peterson convened the meeting at 11:42 am.

II. Approval of Minutes

Chairman Peterson announced a quorum, then requested a **MOTION** to approve the minutes of the February 11, 2016 Finance and Land Use Committee as presented. It was so **MOVED** by Vice Chairman Mendelsohn. **MOTION CARRIED UNANIMOUSLY.**

III. Operational Issues – Student Housing Capacity Plan

Chairman Peterson requested Senior Vice President Jennifer (J.J.) Davis present the Student Housing Capacity plan and recused himself from this portion of the meeting.

Senior Vice President Davis introduced Vice President Tom Calhoun, who briefed the committee on the student housing plan. The goal is to acquire 2,000-2,500 student beds over the next 10 years without adding new debt or having a negative effect on the balance sheet. Phase I, for immediate needs, would acquire 1,000 beds through an RFP, which will be developed this summer. 450 student apartments would be replaced, and 500 new beds would be secured through leases and/or outreach programs. Phase II would pursue on-campus construction through an RFP process with a focus on developing West Campus, and to work with the city and county to identify potential nearby solutions. Phase III will identify additional on-campus options and explore a public/private partnership or leasing authority.

Vice Chairman Mendelsohn requested a **MOTION** to recommend the Board of Visitors approve the Student Housing RFP Strategy as described on page E-7 of the Board Book. It was so **MOVED** by Visitor Cumbie. **MOTION CARRIED UNANIMOUSLY.**

IV. Strategic Matters

A. FY 2017 Financial Update

Chairman Peterson returned to the meeting and asked Senior Vice President Davis to brief the committee on the status of the State budget and Mason's proposed FY 2017 budget.

Senior Vice President Davis informed the committee that the State budget was issued on March 9, and the Governor has 30 days to sign, veto, or recommend amendments. The final budget is estimated to be released in mid-to-late April. Preliminary review of the budget proposes approximate increases in operating funds (2%), which includes access and affordability, enrollment growth, interest earnings and credit card rebates, and the veteran's cyber security pathway; graduate and undergraduate financial aid (17%), and capital maintenance funding (0.5%). In addition, the State proposed budget includes construction funding for Robinson Hall and the utility infrastructure, and planning funds for IT upgrades and a pilot program for increased financial autonomy similar to Level 3 institutions.

The preliminary State budget also includes a 3% salary increase for FY 2017 and a 2% salary increase for FY 2018 (dependent upon state revenue collections). Healthcare costs will increase for both employer and employee, and those increases will come out shortly. The Virginia Retirement System will allow for \$100% of funding from contributions. Ms. Davis noted that at least half of the monies for salary, healthcare, and retirement will come from university resources.

The budget also includes additional funding resources for research, planning funds for Telecom infrastructure, maintenance reserves, and an equipment trust fund designated for acquisition and installation of equipment for delivery of online courses and programs.

The State budget should be final by the April 12, 2016 special information session where the FY 2017 budget can be discussed in more detail.

VI. Adjournment

There being no further business, Chairman Peterson declared the meeting adjourned.

Meeting adjourned at 12:39 p.m.

Jennifer Wilson
Secretary *pro tem*

ITEM III: FY 2017 University Operating Budget, Tuition and Fees (ACTION)

PURPOSE OF ITEM: The University's budget proposal reflects revenue and expense plans for the 2016-2017 academic year, including tuition and fee rates.

APPROPRIATE COMMITTEE: FINANCE AND LAND USE COMMITTEE

BRIEF NARRATIVE: The University Budget for July 1, 2016 through June 30, 2017 (FY 2017) is being recommended at this time. The FY 2017 E&G and Auxiliary Enterprises budget proposals include revenue and expense budget recommendations for colleges and programs as well as tuition and fee rates.

Mason's FY 2017 proposed budget, described in the accompanying *(Proposed) 2016-2017 Budget Executive Summary*, is consistent with the biennial budget of the Commonwealth of Virginia and six-year financial and budget plans of the University. Under this proposal the total university budget increases by 2.4%, to \$1,001.0 million (\$1.0 billion).

The total price for an undergraduate student living on-campus (including tuition, fees, room, and board) is proposed at \$22,030 for in-state and \$43,312 for out-of-state, an increase over the previous year of 2.7 and 2.9 percent respectively.

STAFF RECOMMENDATION: Staff recommends Board of Visitors approval of the 2016-2017 budget including tuition and fee rates.

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ITEM NUMBER V.A.:

**University Controller Review and APA Audit of
Financial Statements for Year Ended June 30, 2015**

PURPOSE OF ITEM:

The University's controller and the APA auditors will brief the Committee on the FY 2015 financials and the APA audit of those financials.

APPROPRIATE COMMITTEE:

FINANCE AND LAND USE COMMITTEE

BRIEF NARRATIVE:

The Auditor of Public Accounts (APA) is the state agency responsible for auditing all agencies of the Commonwealth. The APA is nearing completion of its audit of the University's financial statements for the year ended June 30, 2015. Auditors will provide a briefing on their findings. The draft published FY2015 report can be found at:

<http://fiscal.gmu.edu/wp-content/uploads/2015/11/FY15-GMU-Financial-Statements-Unaudited.pdf>,

which is where the final report will also be published shortly after the meeting.

STAFF RECOMMENDATION:

For Board information only.

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ITEM NUMBER V.B.: **Higher Education Autonomy (INFORMATION)**

PURPOSE OF ITEM: This amendment provides for a pilot program for George Mason University for additional higher education autonomy.

APPROPRIATE COMMITTEE: FINANCE AND LAND USE COMMITTEE

BRIEF NARRATIVE: As part of a five-year pilot program, George Mason University is authorized, for a period of five years, to exercise additional financial and administrative authority in three functional areas of information technology, procurement and capital projects as set forth and subject to all the conditions in §§2.0, 3.0 and 4.0 of the second enactment of Chapter 824 and 829 of the Acts of Assembly of 2008.

STAFF RECOMMENDATION: For Board information only.

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VIRGINIA STATE BUDGET

2016 Session

Budget Amendments - HB 30 (Conference Report)

Bill Order >> Item 4-9.02 #1c

Higher Education Autonomy (language only)

Item 4-9.02 #1c

Higher Education Restructuring

Level II Authority

Language

Page 502, after line 18, insert:

“c.1. As part of a five-year pilot program, George Mason University and James Madison University are authorized, for a period of five years, to exercise additional financial and administrative authority as set out in each of the three functional areas of information technology, procurement and capital projects as set forth and subject to all the conditions in §§ 2.0, 3.0 and 4.0 of the second enactment of Chapter 824 and 829 of the Acts of Assembly of 2008 except that (i) any effective dates contained in Chapter 824 and 829 of the Acts of Assembly of 2008 are superseded by the provisions of this item, and (ii) the institution is not required to have a signed memorandum of understanding with the Secretary of Administration regarding participation in the nongeneral fund decentralization program as provided in subsection C of §2.2-1132 in order to be eligible for the additional capital project authority.

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