

**GEORGE MASON UNIVERSITY
BOARD OF VISITORS
Finance and Land Use Committee Meeting
April 10, 2025
Meeting Minutes
DRAFT**

COMMITTEE MEMBERS PRESENT: Chair Pence; Vice Chair Rosen; Visitor Alacbay, Visitor Peterson; Vice President Stephens; Faculty Representatives: Shutika, Venigalla

ABSENT: None

ALSO PRESENT: President Washington; Rector Stimson; Faculty Representative Simmons; Staff Representative Spence; Student Representatives: Cuesta, Hoffman

I. Call to Order

Chair Pence called the meeting to order at 3:04 p.m. Per the Board's policy for electronic participation in meetings, Chair Pence **MOVED** the committee approve Vice Chair Rosen's electronic participation in the meeting. Motion was **SECONDED**. The **MOTION WAS CARRIED UNANIMOUSLY**

II. Approval of Minutes for February 13, 2025 (ACTION)

Chair Pence called for any corrections to the minutes for the Finance and Land Use Committee Meeting for February 13, 2025. Visitor Alacbay noted two typographical errors in the minutes. Hearing no other corrections from the Finance and Land Use Committee, the **MINUTES STOOD APPROVED AS CORRECTED**.

III. Financial Matters

A. FY2025 Financial Report Through February

Chair Pence turned the meeting over to Dan Stephens, Vice President for Finance. Mr. Stephens presented the FY 2025 Financial Report through February 2025.

A balanced Education and General Operating (E&G) budget is planned for FY 2025 with a current E&G surplus of \$138 million due to timing, but expenses are expected to normalize by year-end. Key revenue drivers supporting this positive outlook are increased State Appropriations, and increased Net Tuition and Fees from higher enrollment and a modest tuition and fee increase.

Mr. Stephens presented the FY 2025 Financial Report through February 2025 for Total Operating, representing all funding sources.

A \$17 million positive net margin is expected for All Funds Operating, driven by Auxiliary areas, with a \$241 million net margin is shown for year-to-date actuals. Primary revenue drivers are State support, research, interest income, and tuition and fees revenue, while expenses remain in alignment with the projected budget.

Budget mitigation strategies have been achieved through a two-year plan that includes cost reductions, expense savings, and revenue enhancements. Revenue enhancements total about \$9 million annually, while 64 positions not filled through Critical Vacancy Review total \$9.2 million. Mason continues to be diligent in maintaining cost mitigation strategies.

Mason is one of the most efficient large research-intensive universities in the Commonwealth. Over the past 10 years, Mason has reduced its Net Price by 15% and was one of only two Commonwealth universities that reduced per-student spending.

B. FY2026 University Budget

Mr. Stephens presented the proposed FY 2026 University Budget and recommended a 2.5% increase in tuition and mandatory student fees.

- The Proposed State budget is with the Governor for approval, which includes \$14 million of additional state funding for Mason. \$12 million is additional operating funding and \$2 million is additional student financial aid.
- If the proposed budget is not passed, Mason would revert to the existing FY26 budget that was passed in May 2024.
- For the E&G Budget, if the proposed budget and a 2.5% tuition increase are approved, Mason would have a balanced budget before mitigation strategies. If there is a 0% tuition increase, there would be a \$5 million shortfall, requiring mitigation strategies.
- If the proposed budget is not signed and we revert to the previously adopted biennium budget, a 2.5% tuition increase will create a \$12 million shortfall before mitigation strategies. Without a tuition increase, there would be a \$17 million shortfall before mitigation strategies.
- For the Total Operating Budget, Mason will have a \$16 million surplus if the proposed budget and a 2.5% tuition increase are approved. Without a tuition increase that would be an \$11 million surplus.
- If the previously adopted is used, Mason would have a \$2 million surplus with a 2.5% tuition increase for the Total Operating Budget. Without a tuition increase there would be a \$3 million shortfall before mitigation strategies.
- A 2.5% tuition increase for in-state students is \$264 for Undergraduate, \$360 for Graduate, and \$616 for Law. These increases are about double for out-of-state students.
- A 2.5% increase in student fees equates to about \$96 a year per student.

IV. Capital Matters

Mr. Stephens provided a high-level summary of Capital Expenditures. In FY2026, there are plans for \$133 million in capital needs, including Annual Debt, Deferred Maintenance, Annual Capital, and Major Capital expenses.

Alex Iszard, Assistant Vice President of Planning, Design and Construction,

provided a breakdown of capital projects.

Chair Pence opened the floor for discussion. A robust discussion with regard to tuition, fees, and enrollment ensued.

Visitor Alacbay contextualized the tuition as a percentage of the median household income and requested classroom utilization rates.

Visitor Rosen reiterated his previous request to see the analysis of the list price of tuition over the years and wanted to see how analysis comparing a 2.5% tuition increase alternate rates. He noted the need to focus on the return on investment to the student, to the Commonwealth, and to the regional economy. He underscored that George Mason is considered a value based on its “sticker price,” which could be threatened by raising tuition.

President Washinton noted that most students do not pay the listed tuition rate and that Mason’s Net Price has decreased over the past decade, as well as the continued high rate of employment of recent graduates within the Commonwealth.

David Burge, Vice President of Enrollment Management, offered clarification on financial aid and application numbers, noting that Mason has not experienced stress from increased sticker price.

Visitor Peterson noted his support for the tuition increase, based on the level of efficiency Mason maintains and the need to fund the majority of the mandated compensation increase. Visitor Peterson and President Washington clarified that while the compensation increase is mandated by the Commonwealth, it is needed to improve the market equity of Mason salaries, particularly in such a high-cost region.

Undergraduate Student Representative Maria Cuesta noted the current instability for international students, discouraging the tuition increase, while Carolyn Faith Hoffman, the Graduate Student Representative, urged approval of increased rates to mitigate the potential risks the university faces.

Chair Pence thanked the employees who had facilitated his campus tour the previous day and suggested all Visitors be provided with this tour. He reiterated the request for classroom utilization analysis and requested the total revenue that is received from international students.

A. Six Year Capital Plan

Mr. Iszard presented the Six-Year Capital Plan.

- The Six-Year Capital Plan is completed annually and is a component of the Six-Year Plan.
- Plan approval would only apply to university-only funded projects that would be initiated in FY2026 or those included in the Commonwealth funding request.

- Projects identified for FY2027 and beyond are illustrative and subject to change.
- The Capital Plan consists of three main initiatives: Academic Priority, Mason 2050, and Deferred Maintenance.

Visitor Peterson and Gene Crouch, Vice President of Treasury, clarified Mason currently has approximately \$400 million in debt, with \$200 to \$250 million in additional debt capacity. Visitor Rosen and Mr. Izard clarified that there would likely be additional fundraising for these projects.

B. Land Use Certification

Mr. Iszard presented the Land Use Certification, with the significant reported changes being three easements, all related to utilities.

C. SciTech Dominion Transmission Easement

Mr. Iszard presented the SciTech Dominion Transmission Easement. Virginia Power is proposing a substation that would be built adjacent to the SiTech Campus. The developer will compensate the university for the appraisal and the value of the land at \$110,230. Approval of the SciTech Dominion Transmission Easement is recommended.

Chair Pence **MOVED** the Committee to approve the Land Use Certification as detailed in the Board book. Visitor Peterson **SECONDED** the motion. The **MOTION WAS CARRIED UNANIMOUSLY BY ROLL CALL VOTE.**

Chair Pence **MOVED** the Committee to approve the SciTech Dominion Transmission Easement as detailed in the Board book. Visitor Peterson noted that he would abstain from this vote as his company has data centers in the area and this easement could be of benefit to his company. Visitor Alacbay **SECONDED** the motion. The **MOTION CARRIED BY ROLL CALL VOTE.**

Yes – 3

Abstain – 1

Chair Pence **MOVED** the Committee to approve the FY2026 University Budget within the Commonwealth scenario ranges, including FY2026 Tuition and Mandatory Student Fee as detailed in the Board book. This includes a 2.5% increase in FY2026 in-state tuition and a 2.5% increase in the FY2026 mandatory student fee. Visitor Peterson **SECONDED** the motion. Chair Pence opened the floor for discussion.

Visitor Alacbay recommends the motion be amended to a 0% increase in FY2026 in-state tuition and a 2.5% increase in the FY2026 mandatory student fee. Chair Pence **SECONDED** the amended motion. The **MOTION CARRIED BY ROLL CALL VOTE.**

Yes – 3

No – 1

Chair Pence MOVED the Committee to approve the Six Year Capital Plan as detailed in the Board book. Visitor Alacbay **SECONDED** the motion. The **MOTION WAS CARRIED UNANIMOUSLY BY ROLL CALL VOTE.**

V. Adjournment

Faculty Representative Venigalla commended the student representatives on their articulation of their thoughts and their leadership. The committee recognizes and thanks Faculty Representative Venigalla for his six years of service.

There being no further business, Chari Pence adjourned the meeting at 4:58 pm.

Prepared by Secretary Pro Tem,

Jessica Holtzman