

**GEORGE MASON UNIVERSITY
BOARD OF VISITORS**

**Special Tuition Committee Meeting
September 9, 2022
1:00 – 3:00 p.m.**

Merten Hall, Hazel Conference Room (1201)

AGENDA

- I. Call to Order**
- II. Financial Matters**
 - A. FY 2023 University Operating Budget, Tuition and Fees**
- III. Adjournment**

The September 9, 2022 Special Tuition Committee Meeting will be conducted in-person. Members of the public are welcome to observe in-person or may view the meeting live at the following link:
<https://bov.gmu.edu/live/>.

No oral public comment will be taken at this meeting.



BOARD OF VISITORS

Finance & Land Use Committee

Tuition Subcommittee

Office of the Senior Vice President | September 9, 2022

Agenda

- I. Introduction and Scope of Work
- II. Governance Structure
- III. Tuition Review and Planning
- IV. Mason Impact
- V. Mason Funding Disparities
- VI. Discussion and Next Steps

Appendices:

- Appendix I –Tuition Options Special BOV June 29, 2022
- Appendix II – Supplemental Information



Governance Structure

Code of Virginia

Code of Virginia

- ❖ Board of Visitors has authority to:
 - Manage the funds of the institution and approve an annual budget; Va. Code §23.1-1301 A. 2
 - Determine tuition and fees and other charges for students [Va. Code §23.1-1301 A. 5 and §23.1-307 A.]
- ❖ Process for approving increase in undergraduate tuition or mandatory fees [Va. Code §23.1-307 D., E.]:
 - Thirty days prior to Board meeting to approve increase, University shall notify the public:
 - Date and location of the meeting
 - Projected range of the planned increase
 - Explanation of need for the increase
 - Date, time, and location of public comment meeting, which must be at least 10 days prior to the scheduled meeting
- ❖ Board of Visitors sets policy about how public comment meeting will be conducted, including “reasonable” time limitations
- ❖ If Board of Visitors approves an increase that deviates from projected range published in the public notice, it must provide an explanation of reason for deviation [Va. Code §23.1-307 F.]



Tuition Review and Planning

FY23 Approved Operating Budget

FY2023 Tuition Increase & Budget Process

Mason's modest 3% tuition increase supports access to excellence:

- One-third of increase funds institutional financial aid
- Well below inflation rate
- No undergraduate tuition increase in FY22
- No FY23 Mandatory Student Fee increase

Budget & tuition increase process:

- February 24: Presentation of 3% tuition rate increase
- April 5: Public comment session on tuition increase
 - Comment period extended to solicit additional student input
 - Student government leaders generally supportive
- May 5: Board of Visitors approved two budget scenarios
- May 10: Governor's request not to raise tuition
- June 29: Special BOV established Tuition Subcommittee

FY2023 Proposed Operating Budget (as of June 2022)

Investment in faculty and staff through competitive compensation

Investment in students through increased financial aid

Focus on efficiency through conservative allocations for core budget needs

	FY20	FY21	FY22	FY22	FY23
<i>Cash basis (\$Ms)</i>	Actual	Actual	Budget	Actual (Preliminary)	Budget (Preliminary ¹)
Revenues					
Net Tuition and Fees	442	459	458	466	488
State Appropriations	190	185	234	252	266
Grants & Contracts	210	211	236	247	245
Auxiliary Enterprises	227	181	236	233	249
Other Operating Revenue	25	18	15	13	19
Non-Operating Revenue:					
Relief Funding	13	49	72	40	46
Capital Grants	46	72	50	32	124
Total Revenues	1,152	1,175	1,300	1,284	1,436
Expenses					
Salaries and Wages	462	478	540	526	565
Fringe Benefits	129	135	152	149	158
Contractual Services	171	147	206	191	198
Travel and Training	20	5	8	13	21
Supplies	21	23	24	26	26
Equipment	21	18	20	26	31
Capital Outlay	80	73	100	46	175
Debt Service	50	36	14	14	25
Scholarships & Fellowships	119	140	168	168	157
Occupancy	48	38	46	46	48
AE-Infrastructure Funding	31	83	21	79	32
Total Expenses	1,152	1,175	1,300	1,284	1,436

(1) Includes tuition increase as presented in May and budget realignments

FY 2023 Tuition & Fee Approved Budget

3% Undergraduate & Graduate/Professional (Law) Tuition Increase Supports:

- Academic success initiatives to improve retention and graduation
- Improving competitive faculty and staff compensation
- Critical faculty and staff hires
- One third of increase funds enhanced aid for Mason's neediest students

No Mandatory Student Fee Increase (MSF)

Challenges of No Tuition Increase

- Ability to implement planned salary increases
 - State partially funds authorized salary increase; Mason uses tuition revenues to make up gap
 - Significant threat to attracting & retaining talent in most competitive market region in Virginia
- Commitment to increase financial aid & access to excellence
 - 65% of undergraduate students receive some form of financial aid
 - Increased need for financial aid given rapid rise in inflation & other economic pressures
- Increased investment required for planned strategic initiatives & core business due to inflation compounded by high cost of Northern Virginia
 - Enhanced student services & support
 - Academic & research administrative infrastructure investment
 - Technology & systems modernization
 - Faculty & staff competitive market adjustments
- Ability to address historic funding disparities
 - Already an efficient service provider
 - Lack of funding for continued investment in efficiency, automation and innovation initiatives



Mason Impact

What We Value and Who We Are

This Is What We Value

Student Success: Affordable Access and New Accessible Pathways

- Increase Financial Aid
- Enhance Student Services
- Grow enrollment and degree production
- Expand Student Access through ADVANCE and Online
- Strengthen inquiry-based, experiential learning
- Workforce Development

Faculty & Staff Inequities: Recruitment and Retention

- Increase faculty & staff compensation competitiveness
- Provide strategic retention resources
- Create efficient and streamlined hiring policies and practices

Innovation & Investment Strategies

- Increase faculty lines to meet enrollment needs & maximize research impact
- Optimize organizational design & decision processes to support academic excellence

Build Foundation for the Future

- Sustain R1 research through investment in faculty & research infrastructure
- Grow tech talent degree production (TTIP)
- Strengthen research impact and innovation

This Is Who We Are

TOP 50



Public University
in the U.S.

(Wall Street Journal 2021)

TOP 12



Public Law School
in the U.S. (30th Overall)

(U.S. News & World Report)

#1



in the U.S. for Criminal
Justice and Police (#1 in VA)

(College Factual)

#1



Public University in the U.S.
for Critical Infrastructure
Protection (#1 in VA)

(College Factual)

#9



University in the World for
Cybersecurity (#8 in the
U.S., #1 in VA)

(EduRank)

#1



in Virginia for Software
Engineering, Web Design
and Development, Data
Administration, and
Data Science

(EduRank)

#10



U.S. Public University
for Innovation (#1 in VA)

(U.S. News & World Report)

#1



Young University in the U.S.
(Global Top 50)

(Times Higher Education 2022)

This Is Who We Are

Mason is nationally respected for both its academic and social impact



Free Speech
#9 Public



LGBTQ-friendly
Environment
5 Stars



Best College for
Veterans
#1 Nationally

Mason provides an excellent return on investment

GEORGETOWN UNIVERSITY
Center on Education and the Workforce

214%
Earnings to Price
Return
#6 in VA

313%
Earnings to Debt
Return
#2 in VA

Earnings to Price Return

Measures median 10-year earnings compared to the net price (cost of attendance minus financial aid)

Earnings to Debt Return

Measures median 10-year earnings compared to the median debt

Major Initiative

The Mason Virginia Promise

A pathway toward a bachelor's degree or a personal business for EVERY Virginian who wants it.

Plan to meet 100% of tuition need

Expand into other community colleges

Based on expanding ADVANCE and our Early Identification Program (EIP)



ADVANCE Snapshot

3,000 +

39% Pell Eligible
60% First Generation*

Female: 51%
Male: 49%

18-24: 87%
FTEEnr: 61%

Top Areas of Study



Business & Hospitality

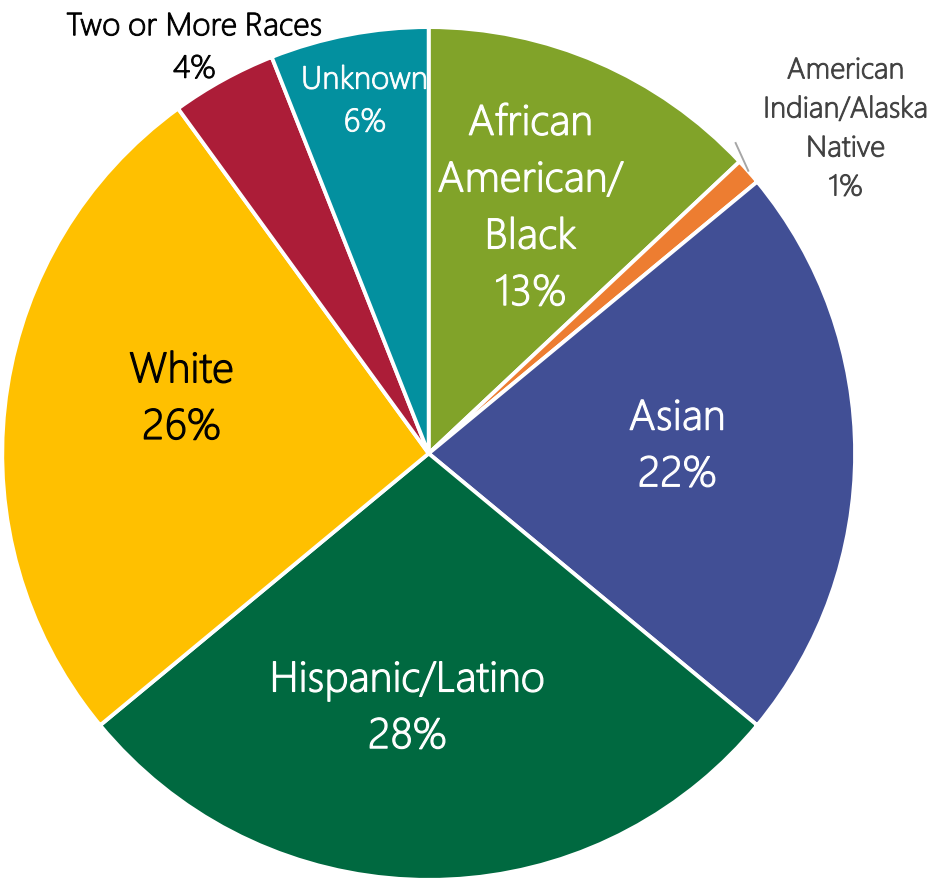


Information Technology &
Computer Sciences



Social Sciences, Government,
and History

Race/Ethnicity

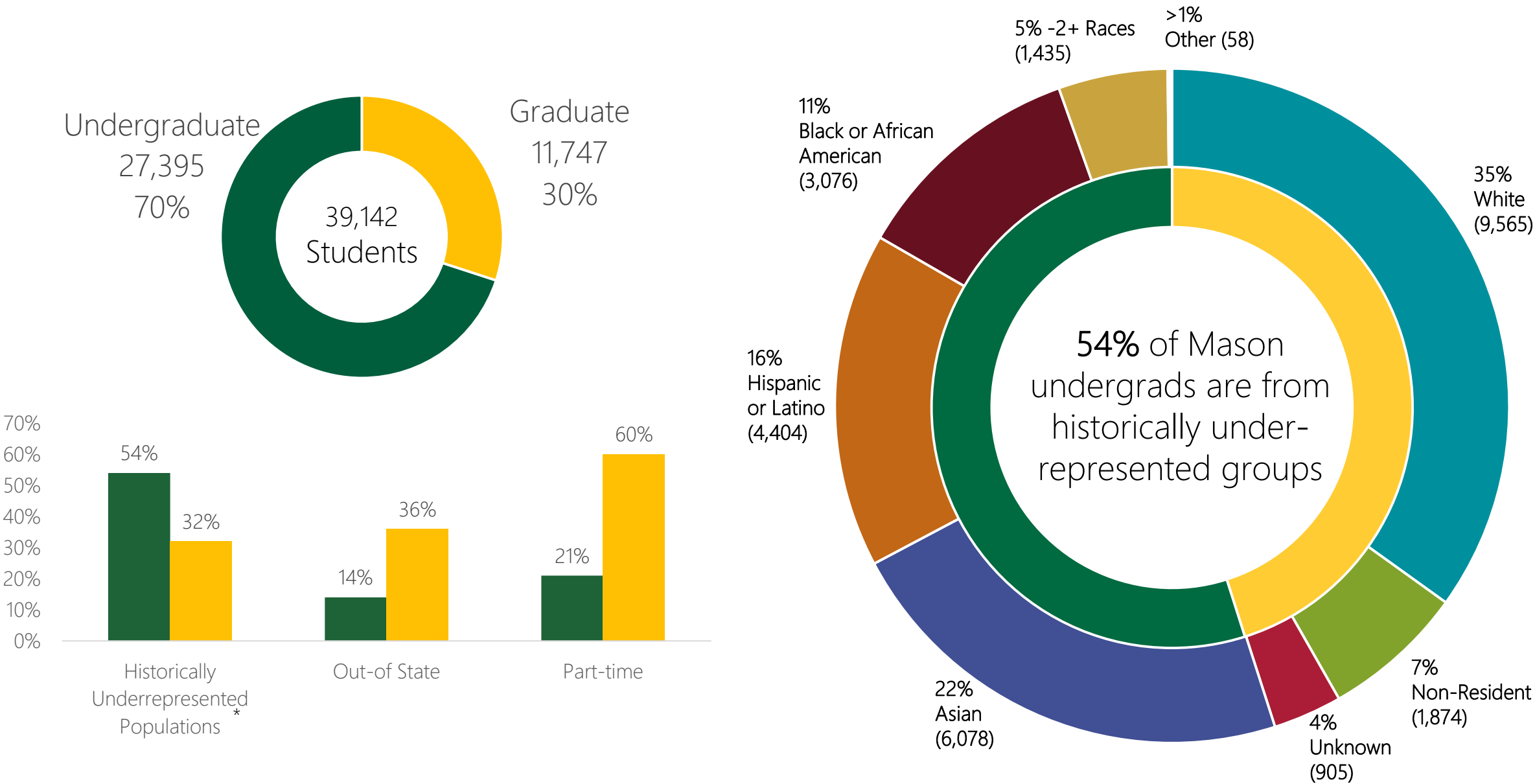


ADVANCE

A NOVA | MASON PARTNERSHIP

* Fall 2022 incoming cohort (first semester we added first generation question to ADVANCE declaration)

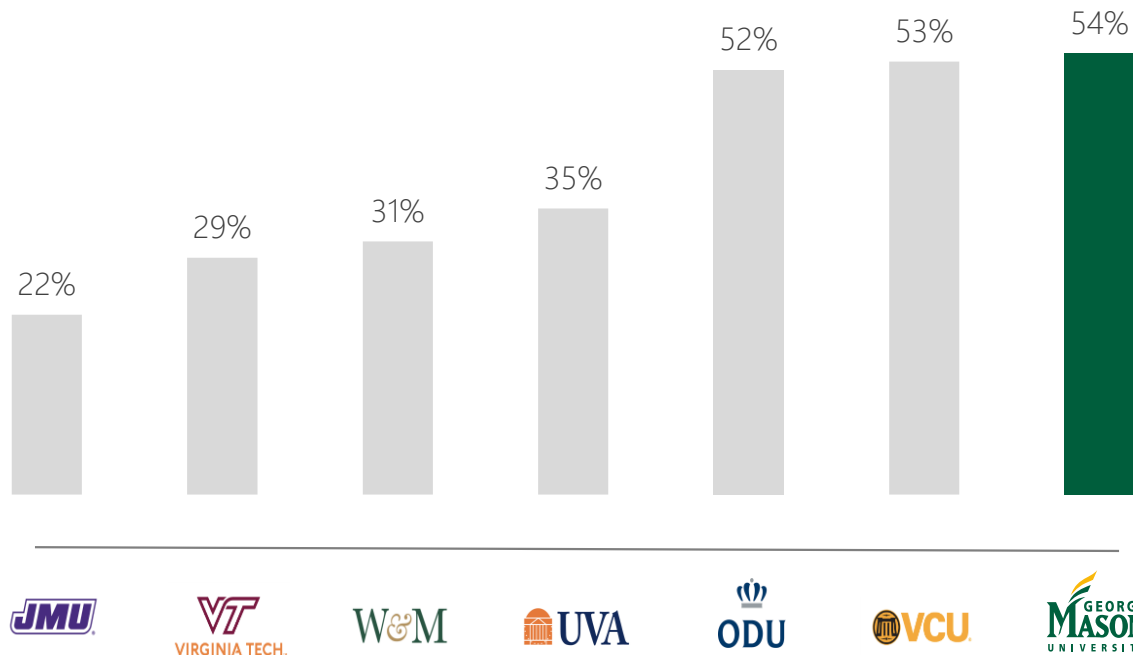
Mason Students



Student Success

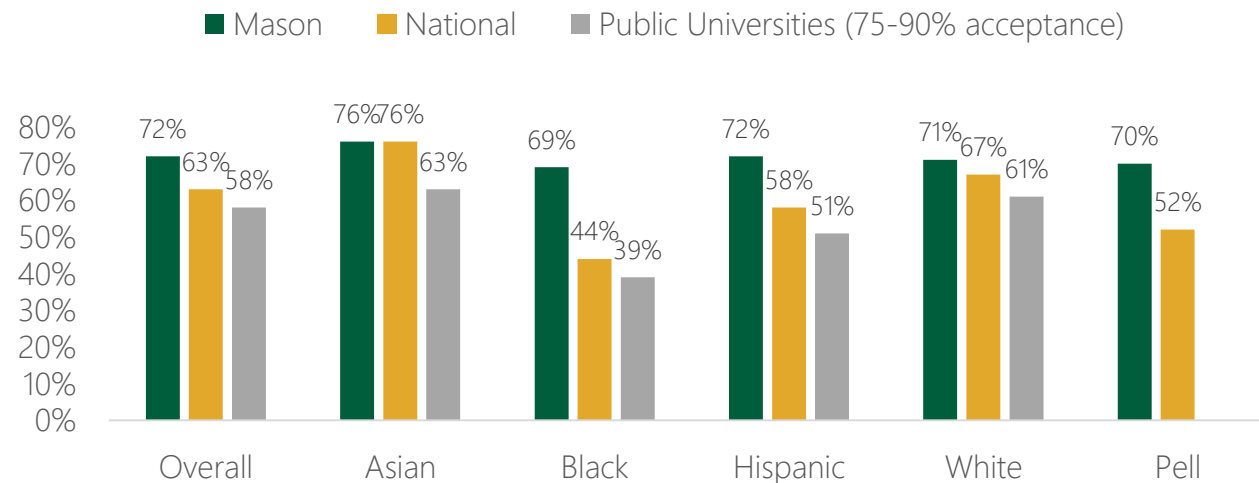
Mason is the most diverse 4-year public university in Virginia...

% Underrepresented Populations



There are minimal disparities in 6-year graduation rates....

Graduation Rate



Data: NCES Fall 2020 enrollment (left), NCES 2014 Cohort (right)

The Mason Impact



Class of 2021

88%

POSITIVE CAREER OUTCOME

EMPLOYED FULL TIME	57%
CONTINUING EDUCATION	33%
EMPLOYED PART TIME	5%
INTERNSHIP/FELLOWSHIP	4%
MILITARY SERVICE	1%
IN POSITIONS RELATED TO CAREER GOALS	86%

SUPPORTING A DIVERSE WORKFORCE

Mason grads are*

57% FEMALE

40% 27 OR OLDER

44% STUDENTS OF COLOR

10% INTERNATIONAL

FILLING CRITICAL ROLES
ACROSS THE REGION

86%

EMPLOYED IN VA/MD/DC

\$70,000

MEDIAN SALARY PLUS BONUS

TOP INDUSTRIES

CONSULTING/FINANCIAL	
GOVERNMENT/MILITARY	
TECHNOLOGY	
HEALTHCARE	
EDUCATION	

WHERE LOCAL IS GLOBAL



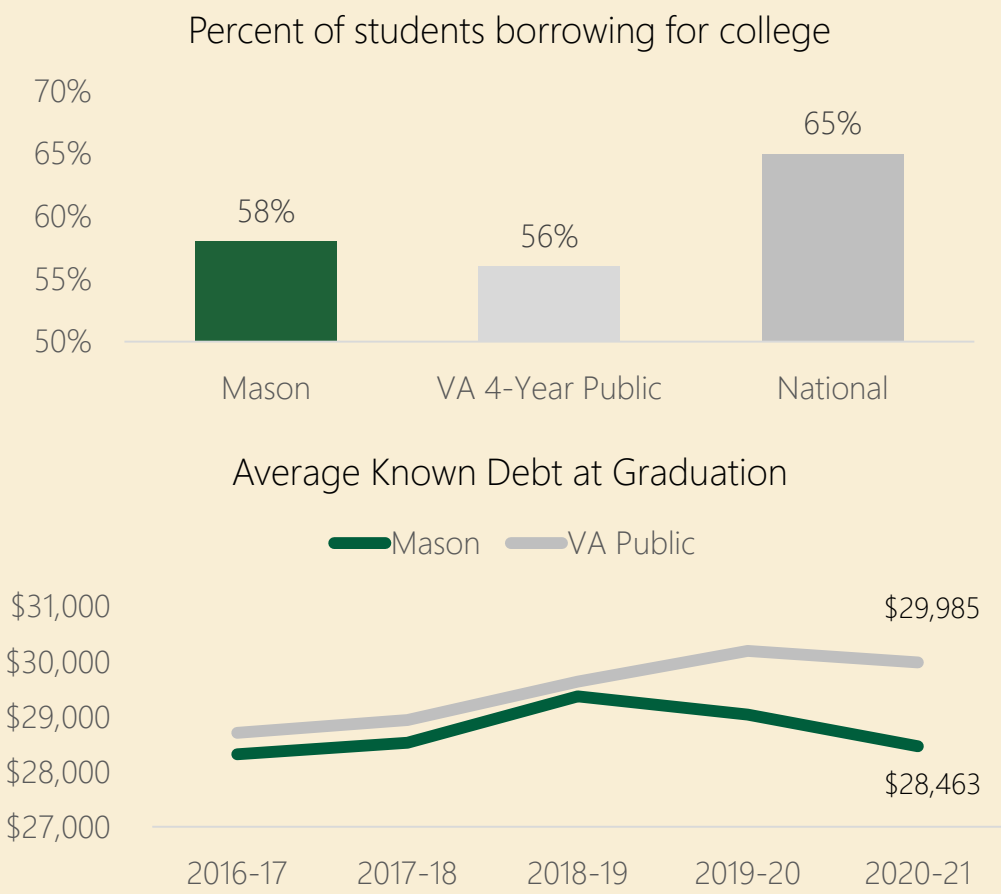
GRADUATE SCHOOLS



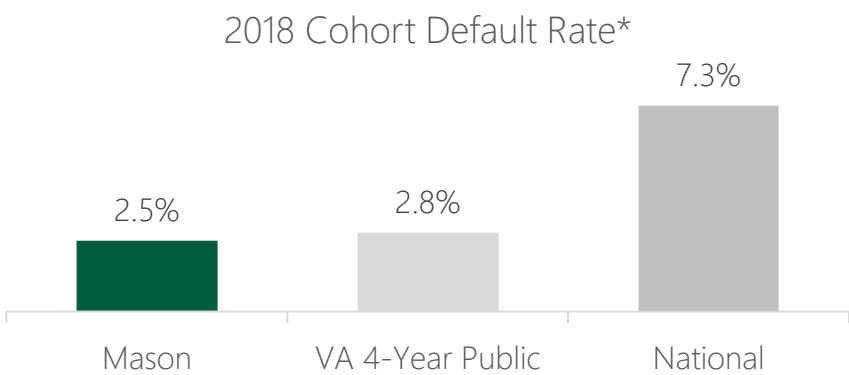
*Graduate numbers and respondents referenced above do not include Law or Certificate students. The Career Plans Survey was conducted among Class of 2021 graduates in August, December, and May. The full survey was initially administered online by email. Additional data were collected via reviews of students' social media profiles (e.g., LinkedIn), and National Student Clearinghouse Data to determine career outcomes, yielding data from 4,294 of 8,507 graduates. Additional percentages reflect varying numbers of respondents per item. Percentages may not be 100% due to rounding.

Mason Student Debt

Mason's borrow and debt rates are below the national average...



... and our default rate is far below the national average.



Our return on investment is among the highest in the state

GEORGETOWN UNIVERSITY
Center on Education and the Workforce

Mason's 10-year earnings are **4.1x** its median graduating debt, ranking **2nd** among VA public universities

Note: Known Debt at Graduation and Borrowing Data from SCHEV. Cohort Default Rate Data from FSA. 2018 cohort refers to students who entered repayment in 2018, and defaulted in 2018, 2019 or 2020. Earnings to Debt Return - Measures median 10-year earnings compared to the median debt.



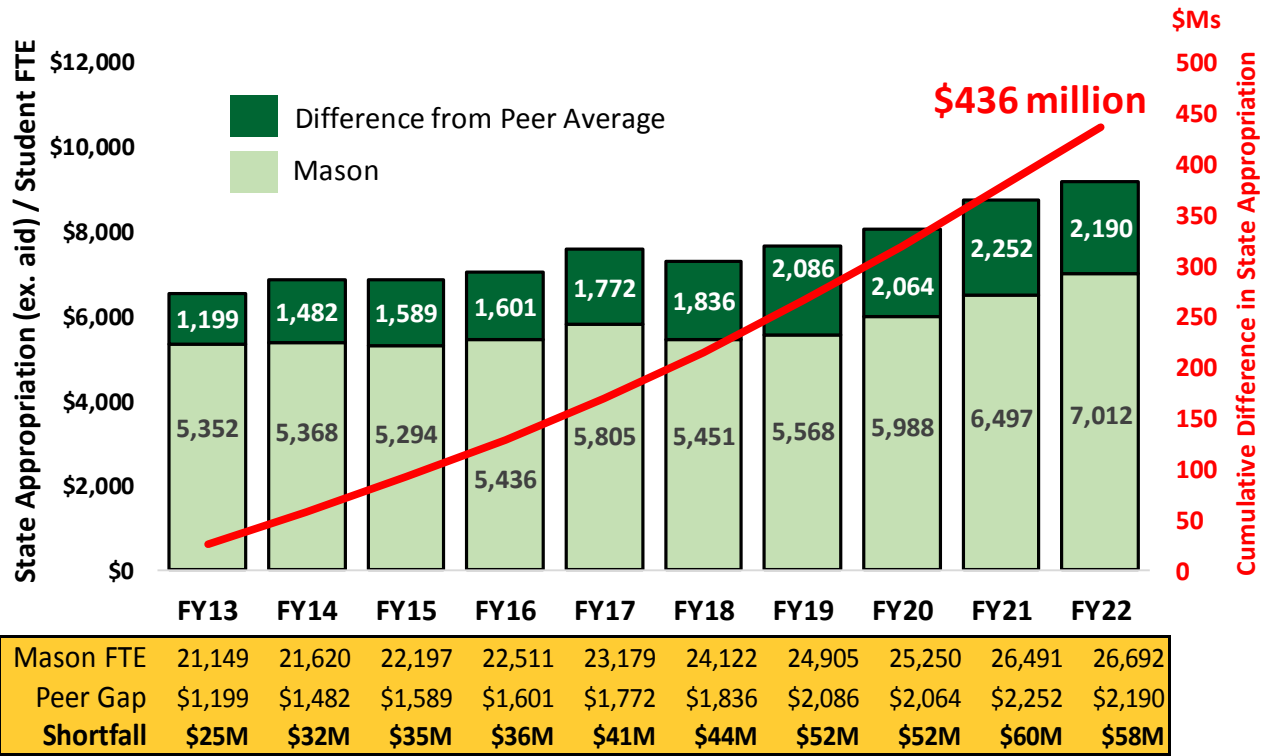
Mason Funding Disparities

Financial Framework

Funding Disparity

Mason would have received an additional **\$436 million** had we received the **average state appropriation** per in-state student (excluding aid) of five peer doctoral institutions between FY13 and FY22

FY22 funding **shortfall** was **\$58 million**

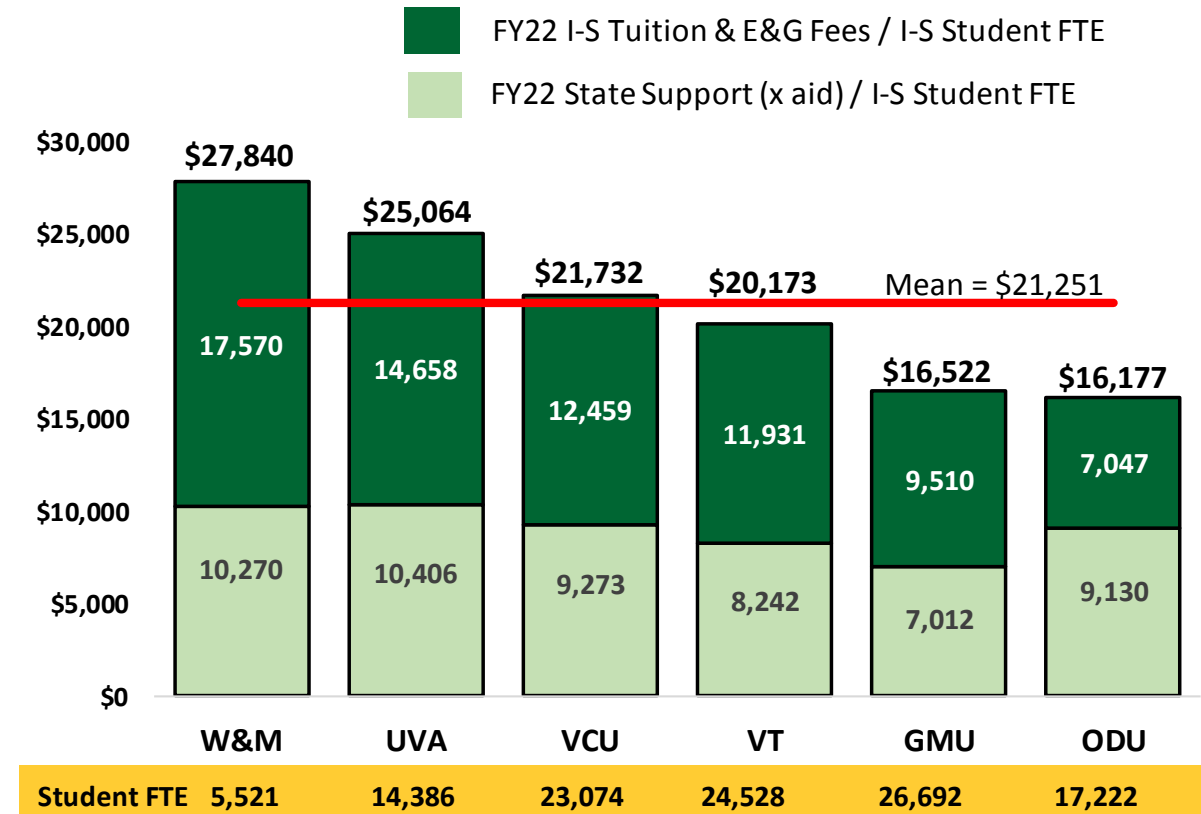


Note: Mason Peer is other Commonwealth Doctoral institutions

Tuition and State Funding Disparities

When state and tuition funding are combined, Mason is nearly **\$5,000** per in-state student FTE **below** the mean of five doctoral **peer institutions**

BOV established a **special Tuition Committee** to make tuition recommendations

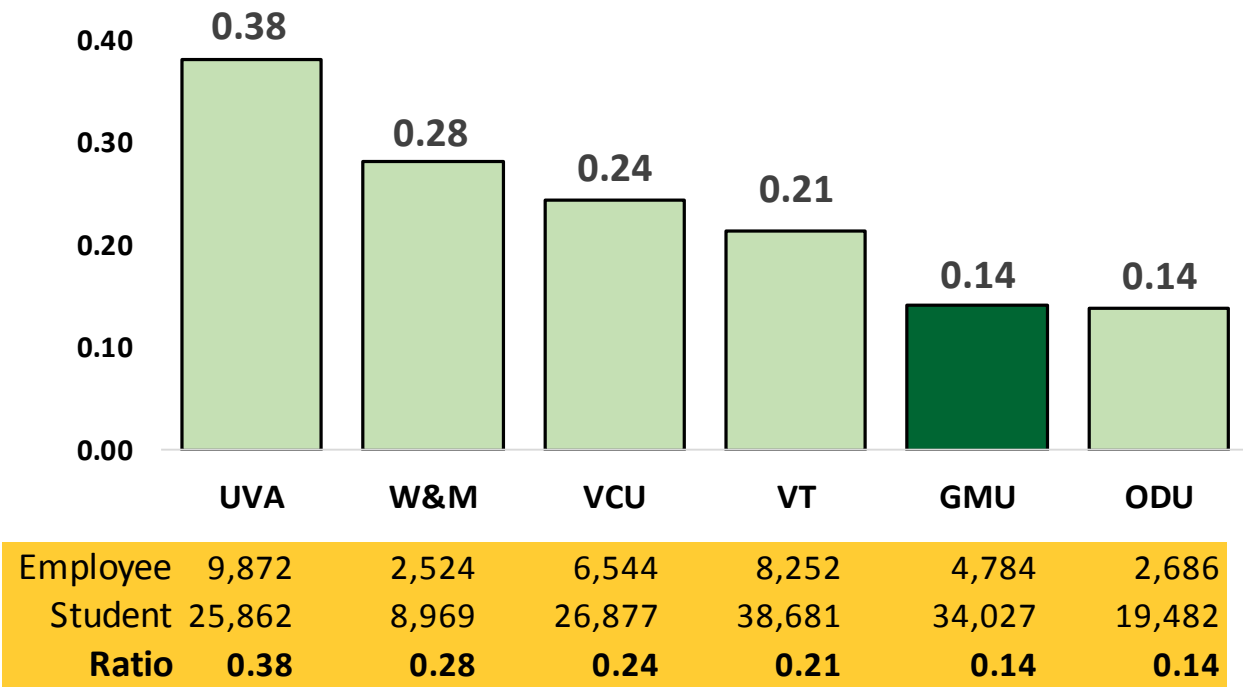


Operational Efficiency

Mason has significantly **fewer employees per student** than nearly all of its Virginia doctoral peers (by FTE)

Mason continues to improve and invest in **operational infrastructure** and **technology efficiencies**

Total Employee FTE / Total Student FTE



Mason Metric at Full Employment

FY22 Employee FTE	4,529
Vacant Positions With Active Recruitment	498
Critical Hires Beyond Existing Vacancies	89
Full Employment FTE	5,116
Student FTE	34,027
Revised Ratio	0.15

Market Compensation

Addressing **market competitiveness** is a **long term initiative**:

- Jan 2022: 2% adjustment
- Aug 2022: 5% adjustment

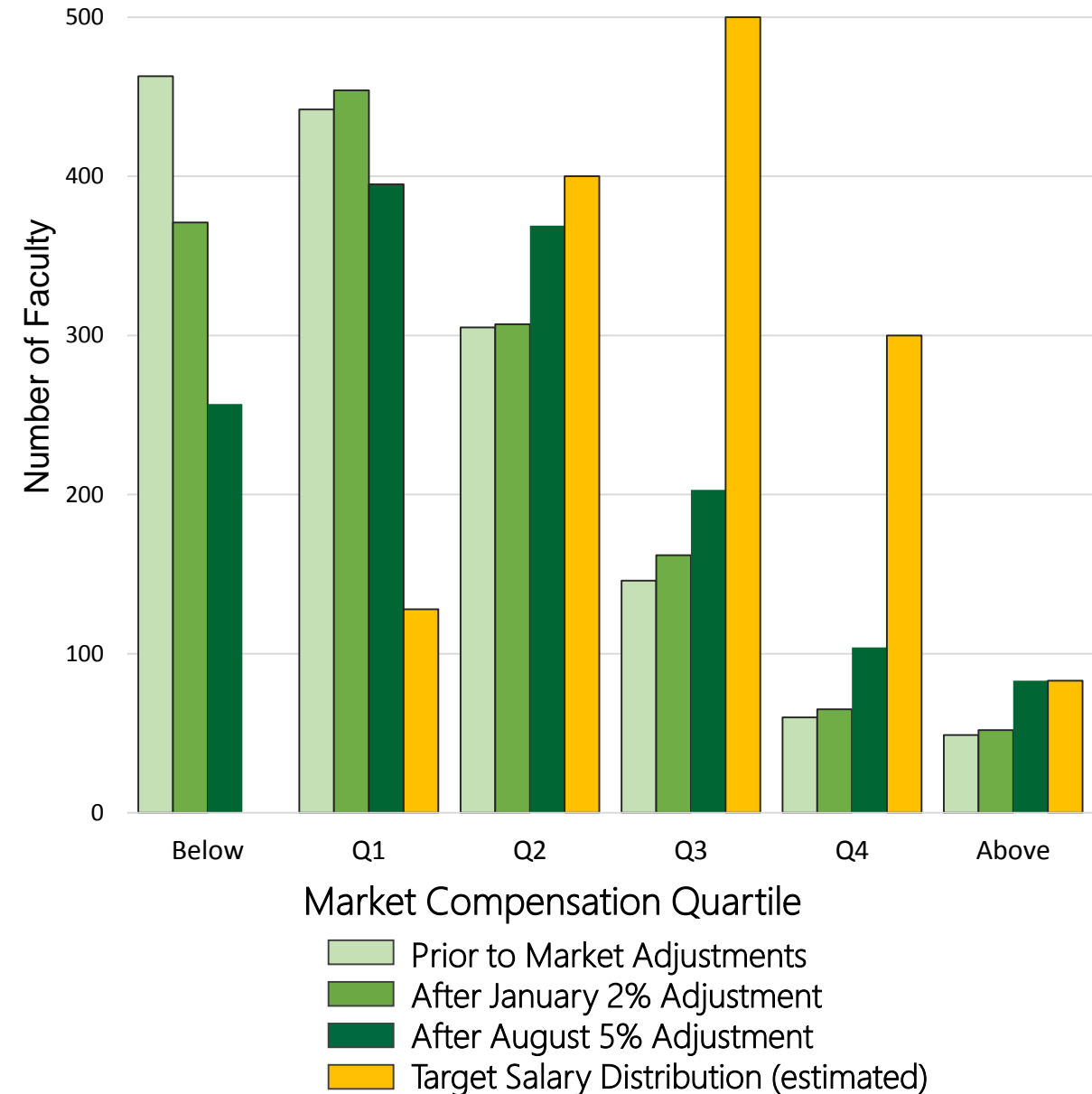
Still more than **250** Instructional & Research **Faculty below** minimum market range

Faculty ranges based on discipline and adjusted geographically

Salary range midpoints are the geographically adjusted **60th percentile of market**

Target estimates based on market study

Instructional & Research Faculty Salary Distribution

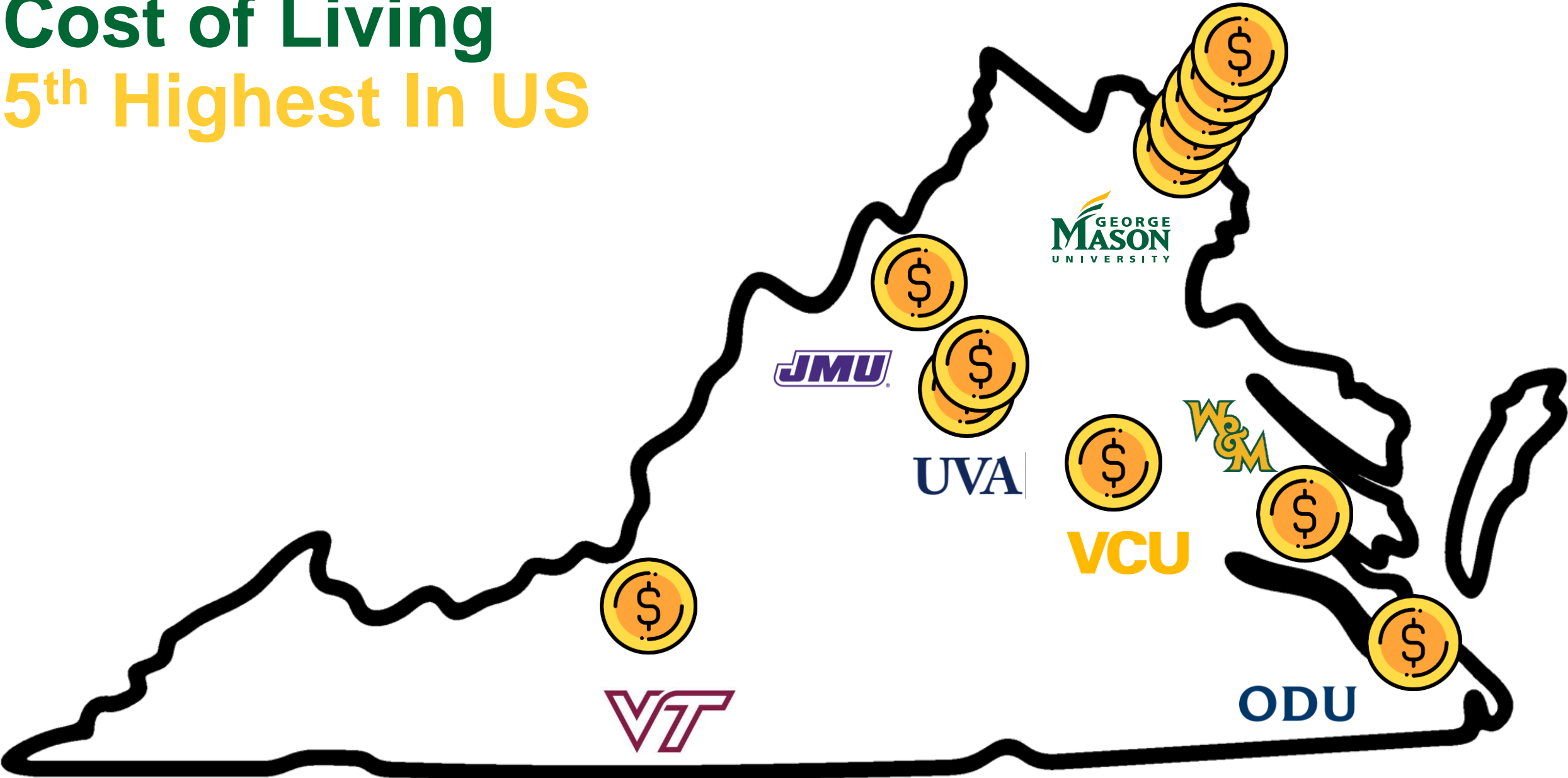


Market Compensation Gaps

- The estimated market compensation gap for Instructional and Research (I/R) Faculty, Administrative and Professional (A/P) Faculty, Staff, and planned positions is \$31.5M.
- The market compensation gap was estimated using:
 - Completed I/R Faculty market compensation analysis in November 2021
 - A/P Faculty and Staff market compensation analysis to be completed by Spring 2023
 - New hire salaries due to turnover and planned growth
 - Market adjustments for current staff, where incoming staff hired in comparable positions at higher compensation with lesser or equivalent experience
 - Projections for FY23 planned new positions where budget funding is insufficient to meet current market demands
 - Additional escalations for current highly competitive Northern Virginia market
 - Estimated impacts for cost of living and inflation
 - Mason portion of market adjustments for compensation changes above

Cost of Living

5th Highest In US



Mason is a diligent and strategic steward of limited resources

- Our efficiency is our strength but that is not sustainable
- Investment in operational infrastructure and business process transformations
- Continued progress and growth through pandemic
- Well-positioned for potential financial downturn

Summary of Tuition Increase Options

\$\$\$ in 000's

Option A: 3% Tuition Increase		Financial Impact
A	• As approved in May; no change	\$0

Option B: 3% Tuition Increase With Offset		Financial Impact
B1	• One-time tuition grant for IS UG family incomes up to \$70,000	(\$2,049)
B2	• Option B1 plus additional \$1M to Stay Mason to support FY23 tuition relief for all other UG & Grad students experiencing financial hardship due to tuition increase	(\$3,049)
B3	• All I/S UG awarded one-time tuition grant regardless of need	(\$4,874)
B3 Plus	• Option B3 plus additional \$1M to Stay Mason as detailed in B2 above	(\$5,874)

Option C: No Tuition Increase		Financial Impact
C	• No tuition increase	(\$15,094)

Option D: 3% Tuition Increase With Offset		Financial Impact
D	• For Spring 2023 Semester only, Option B3 Plus	(\$2,937)

See Appendix for additional explanation of Options

Discussion and Next Steps

- Review of Proposed Options
- Upcoming Tuition Subcommittee Meetings:
 - September 29
 - October 20



Appendix I – Tuition Options

Special BOV June 29, 2022

Tuition Options as of June 29, 2022

- The Tuition Options discussed at the June 29, 2022 Special Board of Visitors meeting are shown on the following slides
- With creation of the Tuition Subcommittee, two additional options were discussed:
 - Option B3 Plus+: 3% Tuition Increase with one-time in-state undergraduate tuition grant regardless of need & additional Stay Mason funding (impact of \$5.974M - \$4.874M plus \$1M)
 - Option D: B3 Plus+ option per above for Spring 2023 semester only, which would be an impact of approximately \$3M

Summary of Options as of June 29, 2022

\$\$\$ in 000's

Option A: 3% Tuition Increase		Financial Impact
A	<ul style="list-style-type: none">As approved in May; no change	\$0

Option B: 3% Tuition Increase With Offset		Financial Impact
B1	<ul style="list-style-type: none">One-time tuition grant for IS UG family incomes up to \$70,000	(\$2,049)
B2	<ul style="list-style-type: none">One-time tuition grant for IS UG family incomes up to \$70,000Allocate additional \$1M to Stay Mason to support FY23 tuition relief for all other UG & Grad students experiencing financial hardship due to tuition increase	(\$3,049)
B3	<ul style="list-style-type: none">All I/S UG awarded one-time tuition grant regardless of need	(\$4,874)

Option C: No Tuition Increase		Financial Impact
C	<ul style="list-style-type: none">No tuition increase	(\$15,094)

Option A

- 3% Tuition increase
- 1.5% Enrollment Growth

No change from FY23 Operating Budget, as approved May 5, 2022

- 3% Tuition increase with one-time in-state undergraduate tuition grant
- 1.5% Enrollment Growth

Revenue:	May BOV	June BOV	Variance
Gross Tuition	\$543,206	\$543,206	\$0
Aid	(\$55,443)	(\$55,443)	\$0
Net Tuition	\$487,763	\$487,763	\$0

Expense:	May BOV	June BOV	Variance
Scholarships & Fellowships	\$156,905	\$158,954	(\$2,049)

- In-State undergraduate students taking 6 credits or more per semester with adjusted gross family incomes of \$70,000 or less will be proactively awarded one-time tuition grants to offset the cost of the annual increase, bringing their FY23 net tuition increase to zero.

- 3% Tuition Increase with one-time in-state undergraduate tuition grant & additional Stay Mason funding
- 1.5% Enrollment Growth

Revenue:	May BOV	June BOV	Variance
Gross Tuition	\$543,206	\$543,206	\$0
Aid	(\$55,443)	(\$55,443)	\$0
Net Tuition	\$487,763	\$487,763	\$0

Expense:	May BOV	June BOV	Variance
Scholarships & Fellowships	\$156,905	\$159,954	(\$3,049)

- In-State undergraduate students taking 6 credits or more per semester with adjusted gross family incomes of \$70,000 or less will be proactively awarded one-time tuition grants to offset the cost of the annual increase, bringing their FY23 net tuition increase to zero.
- All other undergraduate and graduate students experiencing financial hardship due to the tuition increase can apply for FY23 tuition relief through Stay Mason. Allocation of up to \$1M of support for this separate fund.

- 3% Tuition Increase with one-time in-state undergraduate tuition grant regardless of need
- 1.5% Enrollment Growth

Revenue:	May BOV	June BOV	Variance
Gross Tuition	\$543,206	\$543,206	\$0
Aid	(\$55,443)	(\$55,443)	\$0
Net Tuition	\$487,763	\$487,763	\$0

Expense:	May BOV	June BOV	Variance
Scholarships & Fellowships	\$156,905	\$161,779	(\$4,874)

- All In-State undergraduate students taking 6 credits or more per semester will be proactively awarded one-time tuition grants to offset the cost of the annual increase, regardless of need bringing FY23 net tuition increase to zero for all In-State undergraduate students.

- o No Tuition Increase
- o 1.5% Enrollment Growth

Revenue:	May BOV	June BOV	Variance
Gross E&G Tuition	\$543,206	\$528,112	(\$15,094)
Aid	(\$55,443)	(\$55,443)	\$0
Net Tuition	\$487,763	\$472,669	(\$15,094)

Financial Impact of elimination
of 3% rate increase

Board of Visitors Statement, June 29, 2022

George Mason University supports Gov. Glenn Youngkin's intent to help Virginia families combat high inflation. For similar reasons, Mason froze in-state tuition for undergraduates for the 2021-22 academic year while increasing financial aid, in order to counteract the negative economic impacts of the pandemic.

As the statutory body with the sole authority to set student tuition and fees, Mason's Board of Visitors held a special meeting on June 29, 2022 to consider the Governor's request that the modest 3 percent 2022-23 tuition increase be rolled back to 2021-22 levels for in-state undergraduates. Board members voted to appoint a four-member special committee of the board to examine and report back in December 2022 their recommendations on tuition levels for the remainder of the 2022-23 academic year. Rector Jimmy Hazel said he would appoint one committee member from among Youngkin's new appointees to the Board of Visitors.

Despite being Virginia's largest public research university, Mason already receives less state funding than all but one of Virginia's other five doctoral institutions, while operating in the most expensive and competitive labor market in the Commonwealth. Mason is Virginia's only public university based in the Washington, D.C. market.

As a result, Mason faces an ongoing loss of talent in most units due to our inability to pay competitive wages, and is absorbing substantial unfunded inflationary increases in operating expenses. This impacts the quality of education of all our students.

Despite the challenges, Mason continues to strive to maintain a world-class academic experience for its students.



Appendix II – Supplemental Information

Budget and Funding Disparities

FY 2023 Tuition & Fee Approved Budget

Tuition Rates	FY 2022	3% Increase	FY 2023
In-State, Undergraduate	\$9,510	\$285	\$9,795
Out-of-State, Undergraduate	\$32,970	\$989	\$33,959
In-State, Graduate	\$13,035	\$391	\$13,426
Out-of-State, Graduate	\$34,347	\$1,030	\$35,377
In-State, Law	\$23,142	\$694	\$23,836
Out-of-State, Law	\$38,528	\$1,156	\$39,684

Mandatory Student Fee Rates	FY 2022	\$ Increase	FY 2023
Full-Time Student	\$3,609	\$0	\$3,609
Full-Time Student, Law	\$2,733	\$0	\$2,733

FY 2023 Mandatory Student Fee Budget

Recommended NO increase to FY23 Mandatory Student Fee

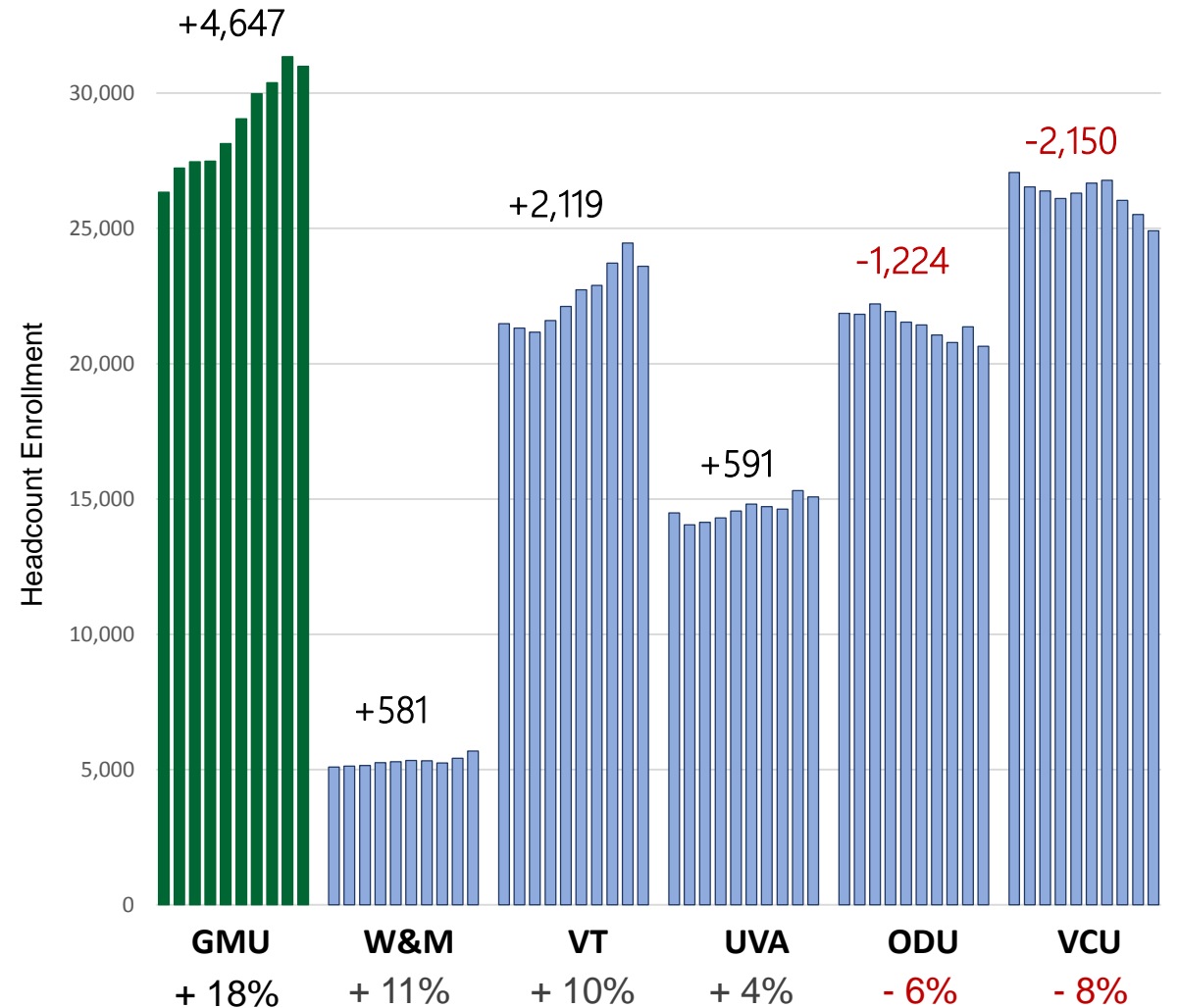
- MSF is paid by all students to support & enrich student educational, institutional, and extracurricular experiences:
 - Student activities
 - Student support services
 - Student health services
 - Recreational & athletics programs
 - Student transportation
 - Maintenance & operation of student facilities
 - Auxiliary services
- MSF Subcommittee will establish more transparent & student-centric allocation categories that will standardize MSF to ensure equity
- FY23 savings from 9(d) debt restructuring will be used to:
 - Relieve burden on students by not increasing the MSF rate
 - Fund one-time strategic initiatives to enhance student life

Key Financial Metrics

Mason's in-state enrollment growth **doubled our nearest peer** over the last ten years, while some schools saw enrollment decline

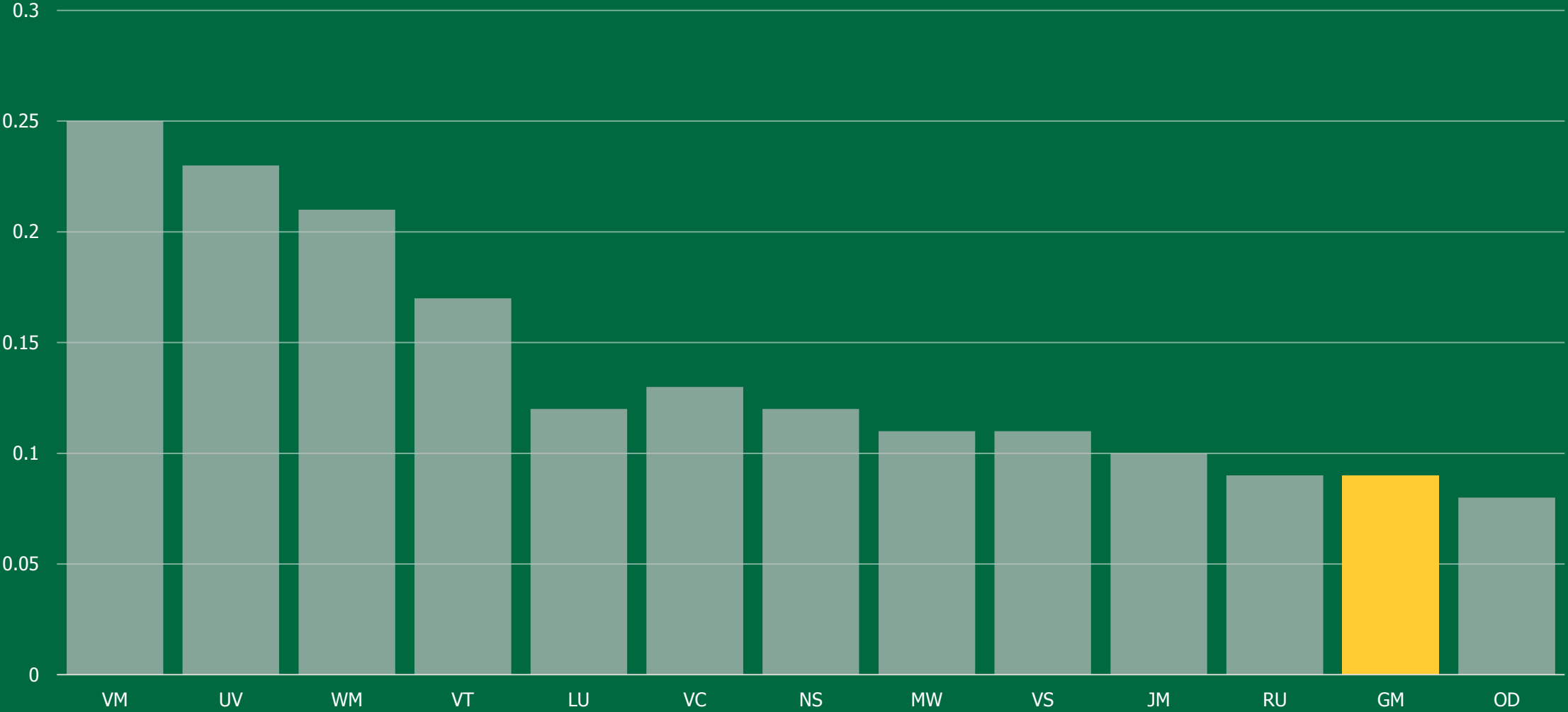
Mason continues to drive **access** and **opportunity** for **Virginia residents**, providing employees for the **Commonwealth workforce**.

In-State Growth: FY13 – FY22



Full-time Non-instructional Staff per Student FTE

Virginia 2020 (IPEDS)







Solution #1

- Maintain 3% tuition increase for FY23 and FY24
- Provide FY23 & FY24 tuition credits, thus students realize no tuition increase
- Requires \$46.1 million in support (cash, not base funding)

Solution #2

- No realized tuition increase* in FY23 or FY24
- State meets Mason's per-student underfunding by providing \$58 million in support (permanent base funding)

**A one-time tuition credit would be provided to all in-state undergraduate students.*