

**WILLIAM & MARY**  
**FY 2025-2026 OPERATING BUDGET PROPOSAL**

This summary provides an overview of William & Mary's proposed operating budget for fiscal year 2025-2026 (FY 2026) and identifies specific budget actions. The operating budget for the Virginia Institute of Marine Science is presented separately under Resolution 22. The proposed university operating budget reflects the most recent Commonwealth budget considered by the General Assembly with the Governor's amendments; if additional amendments are proposed and approved, management will submit a revised operating budget if needed at the next Board meeting. There are no additional proposed increases to Tuition and Fees beyond those previously approved by the Board. Additionally, the university reduced the Student Technology Fee by \$30, due to state funding received in support of the ERP implementation.

**Revenue Sources**

The FY 2026 operating budget combines the university's state appropriated funds, donor funds and other revenue maintained locally. Revenue assumptions include:

1. **State general fund (GF) appropriations** (\$93.2 million) primarily support the university's academic mission, commonly referred to as the Educational and General (E&G) program, and need-based, in-state undergraduate financial aid. The FY 2026 projected state GF support adds base allocations from the state to support a share of salary and fringe increases, one-time bonuses, and additional Virginia Military Survivors & Dependents Education Program (VMSDEP) support.
2. **Tuition and fee revenue** (\$270.9 million) reflect estimated revenue based on previously approved FY 2026 tuition and fee rates and are used to support the university's E&G programs as well as need-based, undergraduate financial aid.
3. Unrestricted and restricted gifts as well as endowment earnings received by the university are categorized as **Private Funds** (\$15 million in new revenue added to a \$19.9 million fund balance anticipated as of June 30, 2025). They do not include funds budgeted as part of the William & Mary Foundation or other university-affiliated foundations.
4. Funds from grants and contracts for **Sponsored Programs** (\$31.4 million) include direct funding for research and indirect cost recoveries used to support research facilities and administrative infrastructure. In addition, William & Mary receives \$131,900 in general fund support for state-sponsored research, which is included in the state general fund amounts.
5. Student and user fees support **Auxiliary Enterprises** (\$144.6 million), which provide non-academic goods or services to students, faculty, and staff, including housing, dining, student health, and athletics.
6. **Local funds** (\$45.8 million) are supported by funds from affiliated foundations (W&M

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Foundation, Business Foundation, and Law Foundation), as well as fees related to specific programs such as study abroad, green fees, student activities and student health insurance.

**Spending Priorities**

The university's proposed FY 2026 operating budget includes \$600.7 million in projected revenue and \$595.4 million in expenditures. It reflects the previously approved 2.5% increase to tuition for all in-state undergraduates, a 3.3% increase for all out-of-state general undergraduates, and a 3% increase to mandatory non-E&G fees to support the priorities outlined below. The BOV also approved graduate and professional tuition at its November 2024 meeting.

Spending Priorities include:

- Career Services
- Expanding affordability through financial aid for the Pell Initiative while also funding increases needed to maintain current commitments to non-Pell need-based aid
- Support for the School of Computing, Data Sciences, and Physics
- Student experience including health and wellness
- Enterprise resource planning (Workday) transition
- Housing and dining master plan
- Compensation

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**FY26' William & Mary Proposed Operating Budget Summary**

Revenue	FY25' Budget	Proposed Budget <sup>1</sup>	Change from Prior Year	
			\$ Change	% Change
State General Fund	\$ 86,549,238	\$ 93,157,457	\$ 6,608,219	7.6%
Tuition and E&G Fees	\$ 263,897,304	\$ 270,878,716	\$ 6,981,412	2.6%
Grants & Contracts	\$ 31,350,000	\$ 31,350,000	\$ -	0.0%
University Private Funds <sup>2</sup>	\$ 15,120,648	\$ 14,980,000	\$ (140,648)	-0.9%
Auxiliary Revenue <sup>3</sup>	\$ 145,725,716	\$ 144,558,120	\$ (1,167,596)	-0.8%
Local Funds	\$ 40,547,000	\$ 45,777,131	\$ 5,230,131	12.9%
<b>Total Revenue</b>	<b>\$ 583,189,906</b>	<b>\$ 600,701,424</b>	<b>\$ 17,511,518</b>	<b>3.0%</b>
Planned Use of Reserves <sup>4</sup>	\$ 5,768,453	\$ -	\$ (5,768,453)	-100.0%
<b>Total Available Resources</b>	<b>\$ 588,958,359</b>	<b>\$ 600,701,424</b>	<b>\$ 11,743,065</b>	<b>2.0%</b>

Expenditures, by Program	FY25' Budget	Proposed Budget	Change from Prior Year	
			\$ Change	% Change
Instruction	\$ 174,004,182	\$ 177,551,264	\$ 3,547,082	2.0%
Research	\$ 7,332,102	\$ 8,074,599	\$ 742,497	10.1%
Public Service	\$ 163,693	\$ 171,481	\$ 7,788	4.8%
Academic Support	\$ 56,668,613	\$ 57,613,639	\$ 945,026	1.7%
Student Services	\$ 24,017,479	\$ 20,747,508	\$ (3,269,971)	-13.6%
Institutional Support	\$ 49,827,456	\$ 57,445,956	\$ 7,618,500	15.3%
Plant Operations	\$ 24,387,975	\$ 26,107,290	\$ 1,719,315	7.0%
Financial Aid	\$ 70,642,375	\$ 72,704,143	\$ 2,061,768	2.9%
Sponsored Programs	\$ 31,481,900	\$ 31,481,900	\$ -	0.0%
Auxiliary Services	\$ 141,440,226	\$ 137,355,034	\$ (4,085,192)	-2.9%
Other Expenses	\$ 214,400	\$ 256,052	\$ 41,652	19.4%
E&G Debt Service	\$ 5,946,120	\$ 5,935,360	\$ (10,760)	-0.2%
<b>Total Expenditures</b>	<b>\$ 586,126,521</b>	<b>\$ 595,444,226</b>	<b>\$ 9,317,705</b>	<b>1.6%</b>

<sup>1</sup>Total revenues and expenditures exclude the Virginia Institute of Marine Science and funds maintained in university affiliated foundations.

<sup>2</sup>Does not include an estimated \$19.9 million fund balance in primarily restricted funds

<sup>3</sup>Auxiliary Revenues include \$948,688 generated in support of student financial aid

Details for each of the major program areas are provided in the enclosures.

**WHEREAS**, FY 2026 revenue projections are based upon available state budget increases, proposed tuition increases, and enrollment estimates and their related impact on tuition and fees; and

**WHEREAS**, FY 2026 planned expenditures reflect prioritized spending assuming the university generates revenues as projected.

**THEREFORE, BE IT RESOLVED**, that the Board of Visitors of The College of William & Mary in Virginia approves the FY 2026 Operating Budget of the university as displayed herein.

**WILLIAM & MARY  
FY 2026 OPERATING BUDGET DETAIL  
FOR EDUCATIONAL AND GENERAL PROGRAMS**

The Educational and General (E&G) Program constitutes those activities that support the delivery of academic services to William & Mary's students and the Commonwealth. The E&G Program is the largest program at the university, representing 51.3% of its annual expenditures, and comprises seven subprograms, based on national higher education reporting standards.

These subprograms directly support the university's mission of teaching, research, and public service, with major activities of each outlined below:

**Subprogram****Major Activity**

<i>Instruction</i>	<i>Instructional faculty; departmental operating costs</i>
<i>Research</i>	<i>Targeted, state supported research</i>
<i>Public Service</i>	<i>Community outreach activity</i>
<i>Academic Support</i>	<i>Library materials and services, academic technology; academic administration at a school or center level</i>
<i>Student Services</i>	<i>Registrar, admissions, financial aid; career services; etc.</i>
<i>Institutional Support</i>	<i>Executive management; fiscal services; human resources; police; purchasing; fund raising, administrative technology etc.</i>
<i>Physical Plant</i>	<i>Buildings/grounds maintenance; plant personnel, utilities</i>

**Revenue Assumptions for FY 2026**

The proposed E&G budget incorporates the 2.5% tuition increase for in-state undergraduate students, 3.3% for out-of-state undergraduates, and 0% increase for the general university graduate program rate approved by the BOV in April 2024 and November 2024, respectively. The BOV also approved program-specific graduate and professional tuition increases to align with market position and costs of delivering programs. The proposed budget assumes increases in general fund support for 3% salary and fringe benefit increases, a 1.5% one-time employee bonus, and \$3.8M in support of the Virginia Military Survivors & Dependents Education Program. The combination of recent enrollment growth, general fund support, and tuition increases provide the resources needed to maintain William & Mary's standards of academic excellence and invest in strategic growth.

Overall, state general fund support will account for an estimated 28% of the university's E&G budget (excluding VIMS), with the remaining 72% of the total \$305.3 million budget coming from tuition and E&G fee revenue.

**Spending Priorities for FY 2026**

The proposed E&G budget includes spending increases in three priority areas:

- 1) ***Institutional Priorities*** This includes base funding for the implementation and operation of Workday ERP, which will replace portions of Banner as the new enterprise software platform for finance and human resources. To meet the evolving needs of faculty and staff, W&M is modernizing its ERP to align with current business demands, partnering with a technology provider that delivers the necessary functionality and user experience. The budget includes funding support to launch the School of Computing, Data Sciences, and Physics.
- 2) ***Salary & Bonus Actions*** The proposed budget incorporates a 3% salary increase and 1.5% one-time bonus.
- 3) ***Other Required Expenses*** The budget accounts for increases in utility costs, including electricity, natural gas, and water/sewer, based on provider notifications of upcoming rate adjustments.

**FY26' William & Mary Proposed E&G Budget**

Revenue	FY25' Budget	FY26' Proposed Budget	Change from Prior Year	
			\$ Change	% Change
General Fund	\$ 79,741,638	\$ 86,349,857	\$ 6,608,219	8.3%
Nongeneral Fund	\$ 210,348,229	\$ 218,920,191	\$ 8,571,962	4.1%
<b>Total Revenue</b>	<b>\$ 290,089,867</b>	<b>\$ 305,270,048</b>	<b>\$ 15,180,181</b>	<b>5.2%</b>
Planned Use of Reserves	\$ 5,768,453	\$ -	\$ (5,768,453)	-100.0%
<b>Total Available Resources</b>	<b>\$ 295,858,320</b>	<b>\$ 305,270,048</b>	<b>\$ 9,411,728</b>	<b>3.2%</b>

Expenditures, by Program	FY25' Budget	FY26' Proposed Budget	Change from Prior Year	
			\$ Change	% Change
Instruction	\$ 157,772,382	\$ 160,455,544	\$ 2,683,162	1.7%
Research	\$ 2,741,302	\$ 3,102,317	\$ 361,015	13.2%
Public Service	\$ 31,293	\$ 31,293	\$ -	0.0%
Academic Support	\$ 47,335,813	\$ 48,063,483	\$ 727,670	1.5%
Student Services	\$ 16,035,479	\$ 16,655,718	\$ 620,239	3.9%
Institutional Support	\$ 42,128,956	\$ 45,975,643	\$ 3,846,687	9.1%
Plant Operations	\$ 23,866,975	\$ 25,050,690	\$ 1,183,715	5.0%
Debt Service	\$ 5,946,120	\$ 5,935,360	\$ (10,760)	-0.2%
<b>Total Expenditures</b>	<b>\$ 295,858,320</b>	<b>\$ 305,270,048</b>	<b>\$ 9,411,728</b>	<b>3.2%</b>

The proposed FY 2026 E&G operating budget of \$305.3 million represents an increase of \$9.4M or 3.2%. By functional area, it allocates a combined \$225.2 million or 74% to instruction, academic support, and student services.

**WILLIAM & MARY  
FY 2026 OPERATING BUDGET DETAIL  
FOR STUDENT FINANCIAL AID**

The university's FY 2026 proposed operating budget for student financial aid totals \$64.9 million. This assumes continued general fund support and ongoing support from university private funds and auxiliary enterprises. The tuition revenue reduction reflects actuals based on the three-year average, with additional funding allocated as needed.

**FY26' William & Mary Proposed Financial Aid Budget**

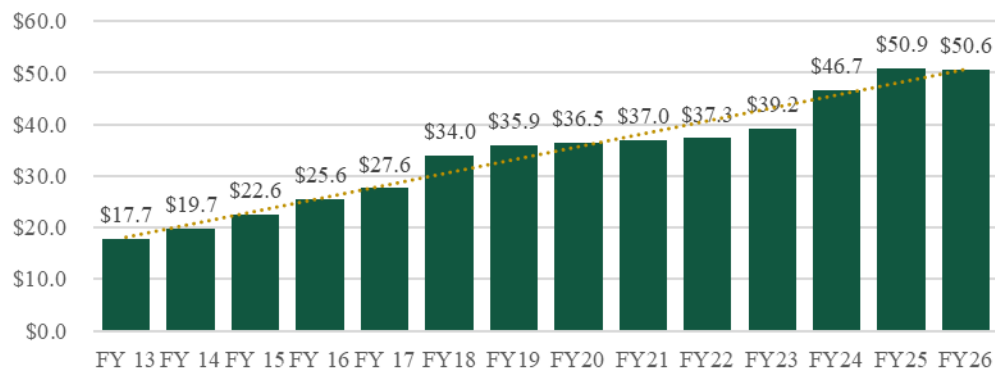
Revenue	FY25' Budget	FY26' Proposed Budget	Change from Prior Year	
			\$ Change	% Change
State General Fund	\$ 6,675,700.00	\$ 6,675,700.00	\$ -	0.0%
Tuition Revenue <sup>1</sup>	53,549,075.00	51,958,525.31	(1,590,549.70)	-3.0%
Auxiliary Enterprises	850,000.00	948,688.00	98,688.00	11.6%
Private Funds	5,200,600.00	5,292,800.00	92,200.00	1.8%
<b>Total Revenue<sup>2</sup></b>	<b>\$ 66,275,375.00</b>	<b>\$ 64,875,713.31</b>	<b>\$ (1,399,662)</b>	<b>-2.1%</b>
<b>Total Expenditures</b>	<b>\$ 66,275,375.00</b>	<b>\$ 64,875,713.31</b>	<b>\$ (1,399,662)</b>	<b>-2.1%</b>

<sup>1</sup>Excludes tuition waivers

<sup>2</sup>Does not include \$7.8 million from local funds revenue that supports financial aid

Of the \$64.9 million in proposed expenditures for FY 2026, undergraduate aid is projected to total \$50.6 million with graduate aid accounting for the remaining \$14.3 million. The investment in financial aid reflects the university's commitment to maintain access and affordability for Virginia's low- and middle-income students.

**Total Undergraduate Financial Aid  
(\$ in Millions)**



Note: Excludes scholarships and aid from the William & Mary Foundation or other university-affiliated foundations.

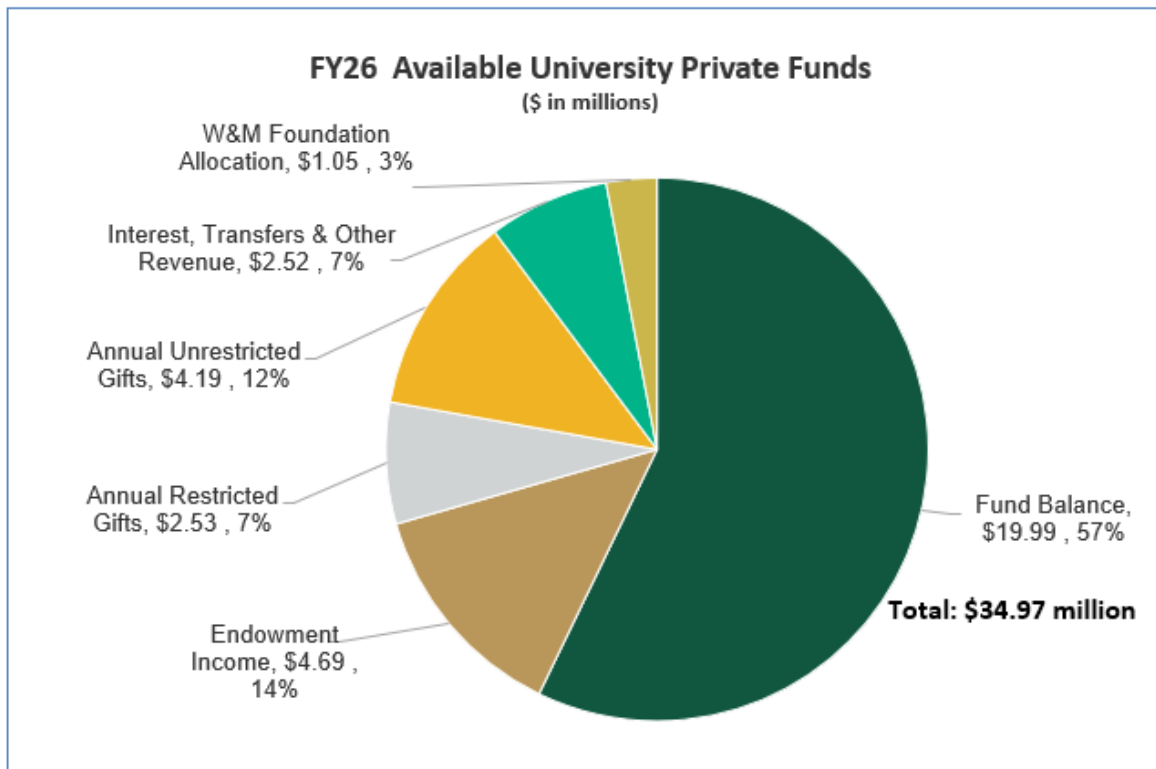
**WILLIAM & MARY**  
**FY 2026 OPERATING BUDGET DETAIL**  
**FOR UNIVERSITY PRIVATE FUNDS**

William & Mary's Board of Visitors has responsibility for administering endowed and other expendable funds privately donated to the university for restricted and unrestricted purposes, collectively known as university private funds. As a result, each year the BOV:

- Authorizes spending for the upcoming year consistent with donor guidance on restricted endowment and expendable funds;
- Approves the spending of endowment income consistent with BOV policy;
- Reviews projections of unrestricted revenue and approves proposed use of those funds; and
- Reviews available fund balances.

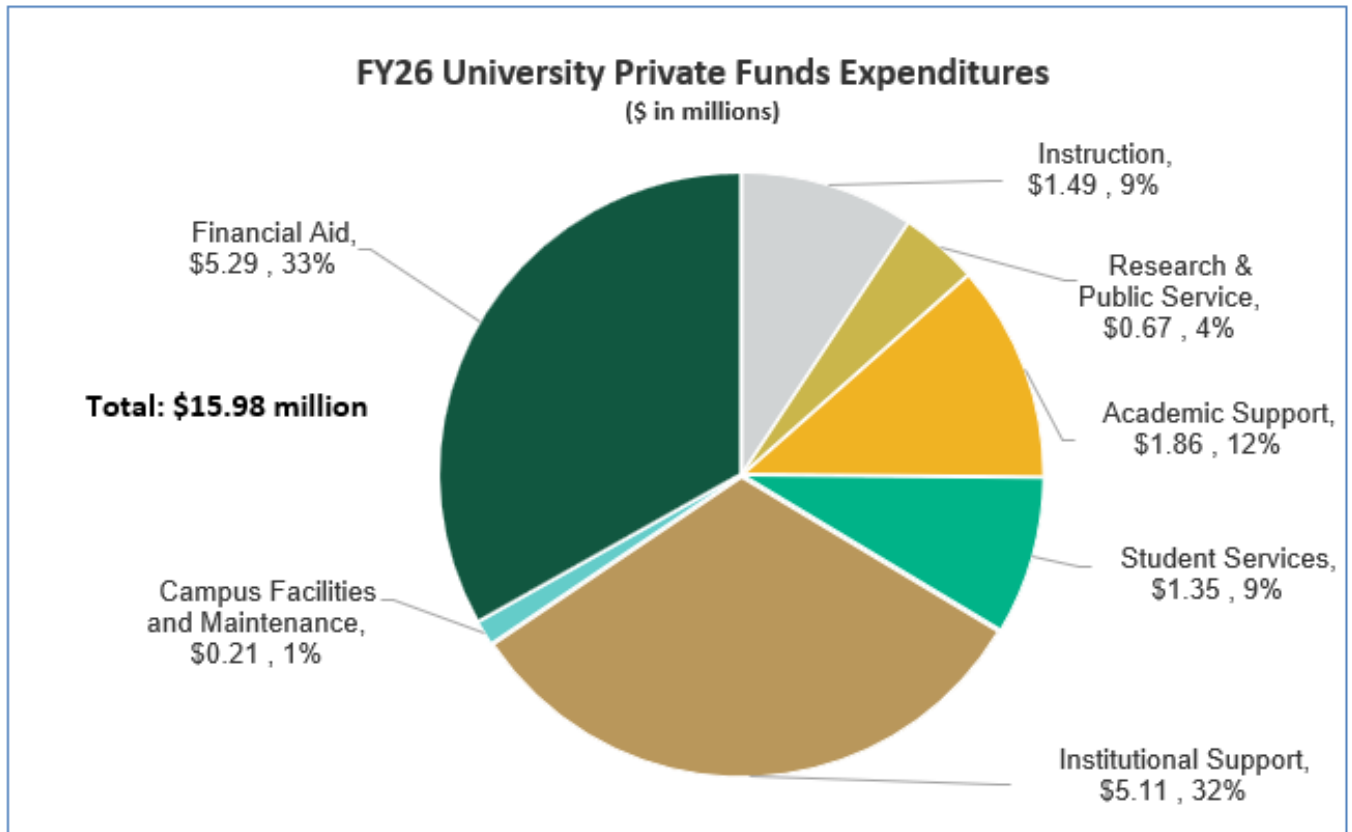
For FY 2026 a spending rate of 5.0% is applied to a trailing twelve-quarter average value of endowments to determine income available from each endowment.

FY 2026 starts with an estimated total beginning fund balance (including restricted and unrestricted funds) of approximately \$19.99M. A significant portion of the restricted funds is designated for specific programs, including instruction, student services, and research, and must be used for their intended purposes. In recent years, the unrestricted portion has benefited from higher yields, generating a surplus. Given the uncertainty of future income, these are best utilized as one-time funds. Of this amount, \$10.33M is restricted in nature and \$9.66M is unrestricted. Projected revenues for the year are expected at \$14.98M, resulting in \$34.97M available for expenditure. An unrestricted funding reserve is maintained to meet ongoing annual commitments which utilize this funding source in the event of revenue or market fluctuations. Sources of revenue are shown on the following page.



Budgeted expenditures total \$15.98 million with \$6.66 million coming through planned expenditures from the combined use of income from restricted endowments (\$3.65 million) and restricted expendable gifts (\$3.01 million) and \$9.32 million in expenditures anticipated from unrestricted funds.





**WILLIAM & MARY  
FY 2026 UNIVERSITY PRIVATE FUNDS BUDGET**

	ACTUAL FUND BALANCE 06/30/2024	ESTIMATED RESTRICTED ENDOWMENTS 06/30/2025	ESTIMATED RESTRICTED GIFT FUNDS 06/30/2025	ESTIMATED UNRESTRICTED FUNDS 06/30/2025	ESTIMATED TOTAL FUND BALANCE 06/30/2025
<b>BEGINNING FUND BALANCE (cash, receivables &amp; payables)</b>	18,924,035	1,039,404	9,293,628	9,660,555	19,993,587
	REVISED FY 2024-25	RESTRICTED ENDOWMENT FY 2025-26	RESTRICTED GIFTS FY 2025-26	UNRESTRICTED FY 2025-26	TOTAL FY 2025-26
<b>REVENUES</b>					
Distribution of Endowment Income	4,286,118	3,616,500	-	614,000	4,230,500
UA Reinvestment Payout	466,100			459,300	459,300
Administrative Overhead Allocation	300,000	-	-	300,000	300,000
UA Reinvestment Allocation	466,100			459,300	459,300
Interest on Cash Balances	2,008,500	-	9,500	1,375,000	1,384,500
Annual Gifts:					
Restricted*	2,511,100	-	2,525,000	-	2,525,000
Unrestricted	4,111,400	-	-	4,190,000	4,190,000
Earnings From External Trusts	35,000	35,000	-	-	35,000
Drawdown from Quasi-Endowment	1,075,000	-	-	-	-
W&M Foundation Allocation	1,054,450	-	-	1,054,400	1,054,400
Other Revenue**	368,500	-	52,000	290,000	342,000
<b>TOTAL PROJECTED REVENUES</b>	16,682,268	3,651,500	2,586,500	8,742,000	14,980,000
<b>AVAILABLE FOR EXPENDITURE</b>	35,606,303	4,690,904	11,880,128	18,402,555	34,973,587
<b>BUDGETED EXPENDITURES</b>					
Instruction	1,248,800	577,900	725,000	185,700	1,488,600
Research	739,916	152,600	450,000	-	602,600
Public Service	60,315	19,500	45,000	-	64,500
Academic Support	1,501,300	982,700	325,000	553,200	1,860,900
Student Services	1,316,664	36,400	505,000	811,000	1,352,400
Institutional Support	4,747,355	81,700	125,000	4,901,700	5,108,400
Facilities and Operations	1,154,900	90,300	48,000	68,700	207,000
Student Aid	4,843,466	1,710,400	785,000	2,797,400	5,292,800
<b>TOTAL BUDGETED EXPENDITURES</b>	15,612,716	3,651,500	3,008,000	9,317,700	15,977,200
<b>PROJECTED YEAR-END BALANCES</b>	19,993,587	1,039,404	8,872,128	9,084,855	18,996,387

\*Net of University Advancement Reinvestment 4.75% assessment

\*\*FY 2025-26 Other Revenue (Unrestricted) Includes Undesignated Gifts of \$150,000  
and estimated \$120,000 transfer from Restricted (4.75% of Expendable Gifts to UA Reinvestment Fund)



To: Committee on Financial Affairs, Board of Visitors

From: Michael J. Todd, Executive Vice President

Subject: UPMIFA Considerations in Spending from Endowment in the Proposed FY 2026 Budget

This memo outlines certain provisions articulated in the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as amended by the Commonwealth of Virginia's General Assembly in 2012.

Per UPMIFA guidelines cited in the *Code of Virginia Title 64.2-1102 (2012), Appropriation for expenditure or accumulation of endowment fund; rules of construction*, Board fiduciaries must consider the factors below in considering adoption of the university's annual private funds operating budget:

- "A. Subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the institution. In making a determination to appropriate or accumulate, the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:
  - 1. The duration and preservation of the endowment fund;
  - 2. The purposes of the institution and the endowment fund;
  - 3. General economic conditions;
  - 4. The possible effect of inflation and deflation;
  - 5. The expected total return from income and the appreciation of investments;
  - 6. Other resources of the institution; and
  - 7. The investment policy of the institution.
- B. To limit the authority to appropriate for expenditure or accumulate under subsection A, a gift instrument shall specifically state the limitation. <sup>(b)(1)</sup>
- C. Terms in a gift instrument designating a gift as an endowment, or a direction or authorization in the gift instrument to use only "income," "interest," "dividends," or "rents, issues, or profits," or "to preserve the principal intact," or words of similar import:
  - 1. Create an endowment fund of permanent duration unless other language in the gift

- instrument limits the duration or purposes of the fund; and
2. Do not otherwise limit the authority to appropriate for expenditure or accumulate under subsection A.”

In the absence of any donor specifications contained in a gift instrument, UPMIFA gives authority to the governing board to spend from the endowment if the above factors are considered. With respect to the university’s compliance with criteria cited in subsection A, the following clarifications apply:

1. **No prohibitions against spending.** Staff have researched that from a total of 192 endowment funds there were 3 endowments with a market value on December 31, 2024, beneath their respective historical gift values, i.e. “underwater”, by a total amount of \$3,406. (This compares to the prior year when 9 of 190 endowments were classified as underwater with a total market value of \$69,056.) The total dollar amount of funds currently “underwater” equates to 0.004% of the University endowment’s December 31, 2024, total market value of \$96,177,481
  - a. These three endowments are not restricted by donor-imposed prohibitions on spending when the fund is “underwater.” Endowments with revenue sources beyond investment pool distributions will be budgeted based on trend estimates, such as dividend yield patterns.
2. **Duration and preservation of the endowment fund.** The BOV has invested its endowment in the 1693 Partners Fund (“The Fund”) as it is an investment pool designed and managed by in-house professionals who are knowledgeable of the BOV requirements and best practices for long-term asset management: broad diversification among asset classes and managers, ongoing risk management, capital preservation mindset and methods, and controls on liquidity, spending and duration. Contributions to endowments are invested in perpetuity to provide current support to the university and maintain intergenerational spending power of gift assets.
3. **Purposes of the institution and the endowment fund.** The university was chartered in 1693 as an institution of higher education. Since then, the university has received private contributions used to further its mission and initiatives.
4. **General economic conditions.** The Fund Board is comprised of professional investment practitioners from different business disciplines which brings diverse perspectives to Fund Board meetings.
5. **The possible effect of inflation and deflation.** The Partners Fund Board addresses the possible effect of inflation and deflation on an episodic basis, particularly when discussion is focused on asset allocation and manager strategies as pursued by the Fund, and how the portfolio would be expected to perform under inflationary or deflationary scenarios.
6. **The expected total return from income and the appreciation of investments.** The university’s average annualized compounded returns versus the portfolio’s policy and target benchmarks are displayed below. The investment return metrics for December 31, 2024, represent the returns from the previous investment manager geometrically linked with the 1693 Partners Fund investment return data. The results do not represent the final December 31, 2024, return data for either investment manager.

	<b>One Year</b>	<b>Three Years</b>	<b>Five Years</b>	<b>Ten Years</b>
	Thru 12/31/24	Thru 12/31/25	Thru 12/31/26	Thru 12/31/27
<b>University-1693 Management Co</b>	9.58%	1.10%	4.67%	5.13%
<b>Target Benchmark</b>	13.07%	4.87%	7.05%	6.68%
<b>Policy Benchmark</b>	13.07%	4.52%	6.90%	6.76%

These nominal total return statistics are net of manager fees, gross of 1693 Management Company expenses and include both income and appreciation. The Investment Policy Statement (“IPS”) for the Fund, states a primary objective to “maximize long-term real return in the Fund’s investment portfolio,” consistent with the BOV’s risk tolerances, objective to preserve and grow the depository base, and recognized need to preserve intergenerational equity. Asset allocation within the Fund portfolio is derived following intensive due diligence by the 1693 Management Company Investment staff whereby additions or deletions of managers or strategies are made thoughtfully considering the risk and performance impact on the portfolio in both the short and long term. Actual performance relative to the established policy benchmark can vary widely year to year and through business cycles, however over longer time periods, positive absolute returns should be sufficiently high to support a prudent spending rate. The FY 2026 BOV budget has a recommended spending rate of 5.00%.

7. **Other resources of the institution.** The university’s total operating budget includes revenue from both the Commonwealth and private sources. Besides state appropriations, support can come from tuition and fees, grants and contracts, endowment payout, distributions from external funds held in trust by others, income from specifically held securities, expendable gift contributions, interest income from working capital, and other miscellaneous revenue sources. Funds with donor restrictions are budgeted accordingly and unrestricted funds are allocated for discretionary use following review and endorsement by the President of the university, incorporating her priorities and most pressing needs.
8. **The Investment Policy of the institution.** The BOV passed the most recent Investment and Spending Policy for Endowment at its April 2022 meeting including specific guidelines that apply to corporate governance, investment objectives, delegation of management and investment functions, portfolio composition and asset allocation, social responsibility, manager guidelines, and spending provisions.

Regarding criteria cited in subsection B (above) of the UPMIFA guidelines, the University remains compliant with any donor restrictions that cap or limit the Board's spending authority.

With respect to criteria cited in subsection C (above) of the UPMIFA guidelines, donor restrictions are documented in gift agreements, trust documents, bequest agreements (wills and estates), and other donor correspondence. Any restrictions or limitations with respect to use or spending are articulated in these types of documents.

**Management Recommendation**

There are no impediments to the spending recommendations outlined in the university Private Funds Budget for FY 2026, considering current economic conditions and the historic performance of the University portfolio.

The Association of Governing Boards has counseled member institutions to make a management recommendation a point of record. Accordingly, this memorandum should be referenced in the BOV's budget review process and later included with the meeting minutes.

**WILLIAM & MARY**  
**FY 2026 OPERATING BUDGET DETAIL**  
**FOR SPONSORED PROGRAMS**

Sponsored programs activity reflects estimated FY 2026 expenditures of \$31.5 million primarily from federal grants and contracts. This budget assumes flat funding from the previous year. Indirect cost recoveries enable the university to reinvest funds back into its research programs, including support for faculty start-up, grant-matching funds, technology transfer, debt service payments associated with construction of research facilities, and participation in high-speed network systems. William & Mary's current federal indirect cost recovery rate is 56.25%.

Across the university, students continue to benefit from working alongside faculty on major research projects, often resulting in joint publication of the results.

**FY26' William & Mary Proposed Sponsored Programs Budget**

Revenue	FY25' Budget	FY26' Proposed Budget	Change from Prior Year	
			\$ Change	% Change
General Fund	\$ 131,900.00	\$ 131,900.00	\$ -	0.0%
Grant Awards - Direct Costs	\$ 27,000,000.00	\$ 27,000,000.00	\$ -	0.0%
Indirect Cost Recoveries	\$ 4,350,000.00	\$ 4,350,000.00	\$ -	0.0%
<b>Total Revenue</b>	<b>\$ 31,481,900.00</b>	<b>\$ 31,481,900.00</b>	<b>\$ -</b>	<b>0.0%</b>

<b>Total Expenditures</b>	<b>\$ 31,481,900.00</b>	<b>\$ 31,481,900.00</b>	<b>\$ -</b>	<b>0.0%</b>
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**WILLIAM & MARY**  
**FY 2026 OPERATING BUDGET DETAIL**  
**FOR AUXILIARY ENTERPRISES**

Auxiliary Enterprises furnish goods and services to students, faculty and staff outside of the academic missions, which distinguishes them from other university programs. Auxiliary enterprises receive no funding from the state and must rely on student and user fees for the goods and services provided.

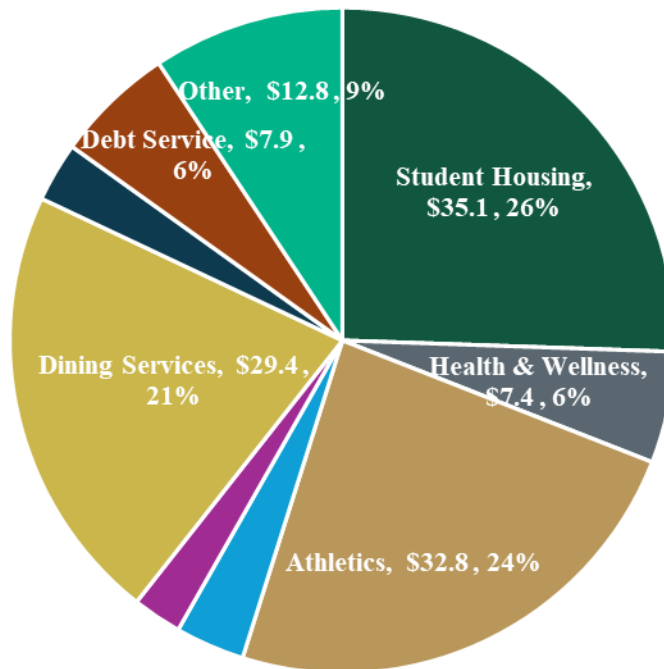
For public institutions of higher education, the Commonwealth of Virginia requires auxiliary enterprise activities in total, and Intercollegiate Athletics specifically, be self-supporting, including direct and indirect costs. As part of that expectation, auxiliary enterprises must reimburse the university for any services provided by a functional area that is supported from the state general fund or other appropriated non-general funds. Standard university services providing support to auxiliary enterprises include human resources, financial operations, housekeeping, and facility maintenance. The Commonwealth further expects that auxiliary enterprises establish and maintain a positive cash balance to provide an operating reserve as well as support for future capital investment.

William & Mary has established several auxiliary enterprises including dining services, residence life, intercollegiate athletics, student health and wellness, campus transportation, campus parking, the bookstore, and student unions. Collectively, auxiliary enterprises are the university's second largest operating program, with revenues for FY 2026 budgeted to reach \$143.61 million and expenditures budgeted at \$137.36 million. The budgeted net operating margin for FY 2026 is \$6.25 million.

The FY 2026 budget includes the previously approved mandatory fee increases of 3%, housing increases at 6% consistent with the master plan, dining increases at 6.1% to cover state mandated salary and benefit actions, inflationary utility and contract increases including dining union increases and food cost increases, fund critical ongoing needs related to student health, parking facility maintenance, simplification of the parking decal system and funding to support increased costs in the athletics operation. Dining services periodically reviews a meal plan optimization study to assess plans and how students use them including number of meals, dining dollar amounts, etc. Meal plan offerings may shift to fit student needs. Rate increases shown for FY 2026 are for the plans currently offered.



**FY26 Projected Auxiliary Enterprise  
Expenditures, by Program**  
(\$ in millions)



A more detailed listing of each auxiliary service is provided in the table below.

## FY26' William &amp; Mary Proposed Auxiliaries Budget

Auxiliary Enterprises	FY25' Budget			FY26' Budget		
	Revenues <sup>1</sup>	Expenditures	Budget Margin	Revenues <sup>1</sup>	Expenditures	Budget Margin
Campus Parking	\$ 2,032,950.00	\$ 1,791,207.00	\$ 241,743.00	\$ 2,144,950.00	\$ 1,796,938.00	\$ 348,012.00
College Bookstore	\$ 225,000.00	\$ 120,461.00	\$ 104,539.00	\$ 170,000.00	\$ 119,461.00	\$ 50,539.00
Conference Services	\$ 535,109.00	\$ 602,800.00	\$ (67,691.00)	\$ 549,924.00	\$ 548,693.00	\$ 1,231.00
Cultural Activities	\$ 734,751.00	\$ 694,851.00	\$ 39,900.00	\$ 738,089.00	\$ 735,890.00	\$ 2,199.00
Express Program	\$ 694,100.00	\$ 671,000.00	\$ 23,100.00	\$ 694,100.00	\$ 671,000.00	\$ 23,100.00
Dining Services	\$ 30,468,855.00	\$ 27,972,745.00	\$ 2,496,110.00	\$ 33,170,650.00	\$ 29,376,699.00	\$ 3,793,951.00
General Auxiliary Services	\$ 1,649,058.00	\$ 1,863,064.00	\$ (214,006.00)	\$ 1,610,498.00	\$ 1,849,080.00	\$ (238,582.00)
Highland	\$ 559,500.00	\$ 941,246.00	\$ (381,746.00)	\$ 470,270.00	\$ 893,835.00	\$ (423,565.00)
Intercollegiate Athletics	\$ 33,007,722.00	\$ 33,007,722.00	\$ -	\$ 32,827,910.00	\$ 32,827,910.00	\$ -
Kaplan Arena	\$ 2,964,695.00	\$ 2,693,993.00	\$ 270,702.00	\$ 2,964,695.00	\$ 2,703,329.00	\$ 261,366.00
Licensing	\$ 144,500.00	\$ 22,840.00	\$ 121,660.00	\$ 184,500.00	\$ 22,900.00	\$ 161,600.00
Osher Lifelong Learning	\$ 415,000.00	\$ 362,966.00	\$ 52,034.00	\$ 317,500.00	\$ 317,500.00	\$ -
FYE/P&F Programs	\$ 1,003,865.00	\$ 1,003,865.00	\$ -	\$ 1,096,200.00	\$ 1,096,200.00	\$ -
Rec Center & Campus Rec	\$ 3,287,195.00	\$ 3,340,195.00	\$ (53,000.00)	\$ 3,241,847.00	\$ 3,295,643.00	\$ (53,796.00)
Student Health & Wellness	\$ 7,404,000.00	\$ 7,404,000.00	\$ -	\$ 7,413,107.00	\$ 7,435,643.00	\$ (22,536.00)
Student Housing	\$ 41,054,709.00	\$ 40,943,250.00	\$ 111,459.00	\$ 37,056,420.00	\$ 35,086,242.00	\$ 1,970,178.00
Student Unions	\$ 3,981,113.00	\$ 3,981,113.00	\$ -	\$ 3,934,402.00	\$ 3,964,376.00	\$ (29,974.00)
Technology	\$ 4,573,526.00	\$ 4,358,317.00	\$ 215,209.00	\$ 4,567,636.00	\$ 4,623,874.00	\$ (56,238.00)
Tennis Center	\$ 1,065,651.00	\$ 928,393.00	\$ 137,258.00	\$ 967,697.00	\$ 826,457.00	\$ 141,240.00
Transportation	\$ 703,848.00	\$ 692,809.00	\$ 11,039.00	\$ 702,758.00	\$ 697,022.00	\$ 5,736.00
Tribe Card	\$ 498,249.00	\$ 496,229.00	\$ 2,020.00	\$ 498,325.00	\$ 499,548.00	\$ (1,223.00)
Vending Program	\$ 348,500.00	\$ 23,340.00	\$ 325,160.00	\$ 344,500.00	\$ 23,340.00	\$ 321,160.00
Debt Service <sup>2</sup>	\$ 7,523,820.00	\$ 7,523,820.00	\$ -	\$ 7,943,454.00	\$ 7,943,454.00	\$ -
<b>Total Auxiliary Enterprises</b>	<b>\$144,875,716.00</b>	<b>\$141,440,226.00</b>	<b>\$ 3,435,490.00</b>	<b>\$143,609,432.00</b>	<b>\$137,355,034.00</b>	<b>\$ 6,254,398.00</b>

<sup>1</sup>Excludes \$948,688 used to support student financial aid.

<sup>2</sup>Debt service for auxiliary operations funded through student facility fees and private giving. Debt service is also in operating expenses for housing, dining and parking.

**WILLIAM & MARY**  
**FY 2026 OPERATING BUDGET DETAIL**  
**FOR UNIVERSITY LOCAL FUNDS**

The proposed FY 2026 operating budget for local funds totals \$45.8 million and comprises funds from affiliated foundations, study abroad, and other revenue generating activities.

**FY26' William & Mary Local Funds Budget Summary**

Revenue	FY25' Budget	FY26' Proposed Budget	Change from Prior Year	
			\$ Change	% Change
W&M Foundation	\$ 17,029,100	\$ 19,623,751	\$ 2,594,651	15.2%
Law Foundation	\$ 7,569,300	\$ 7,809,195	\$ 239,895	3.2%
Business Foundation	\$ 5,252,400	\$ 4,599,208	\$ (653,192)	-12.4%
Student Fees	\$ 5,016,800	\$ 5,069,986	\$ 53,186	1.1%
Other Revenue	\$ 5,679,400	\$ 8,674,991	\$ 2,995,591	52.7%
<b>Total Revenue</b>	<b>\$ 40,547,000</b>	<b>\$ 45,777,131</b>	<b>\$ 5,230,131</b>	<b>12.9%</b>

Expenditures, by Program	FY25' Budget	FY26' Proposed Budget	Change from Prior Year	
			\$ Change	% Change
Instruction	\$ 14,763,800	\$ 15,607,120	\$ 843,320	5.7%
Research	\$ 3,807,200	\$ 4,369,682	\$ 562,482	14.8%
Public Service	\$ 93,100	\$ 75,688	\$ (17,412)	-18.7%
Academic Support	\$ 7,425,500	\$ 7,689,256	\$ 263,756	3.6%
Student Services	\$ 6,644,200	\$ 2,739,390	\$ (3,904,810)	-58.8%
Institutional Support	\$ 2,971,300	\$ 6,361,913	\$ 3,390,613	114.1%
Plant Operations	\$ 260,500	\$ 849,600	\$ 589,100	226.1%
Financial Aid	\$ 4,367,000	\$ 7,828,430	\$ 3,461,430	79.3%
Student Aid	\$ 214,400	\$ 256,052	\$ 41,652	19.4%
<b>Total Expenditures</b>	<b>\$ 40,547,000</b>	<b>\$ 45,777,131</b>	<b>\$ 5,230,131</b>	<b>12.9%</b>

\*Local Fund budgets are based upon available cash from fund balances, affiliated foundations, or from generation of revenue for specific activities. Budgets represent an estimate of activity based upon historical levels.