

GEORGE MASON UNIVERSITY
BOARD OF VISITORS
Finance and Land Use Committee Meeting
April 15, 2026
Meeting Minutes
DRAFT

COMMITTEE MEMBERS PRESENT: Chair Peterson; Vice Chair Caswell; Visitor Alacbay, Visitor Altman, Visitor Montano, Visitor Rosen; Faculty Representative Shutika, Faculty Representative Daniels; Interim Vice President Stephens; Senior Vice President Zobel.

ABSENT: None

ALSO PRESENT: President Washington; Rector Meese; Visitor Shrivastava; Faculty Representative Simmons; Staff Representative Spence; Student Representative Mow.

I. Call to Order

Chair Peterson called the meeting to order at 9:03 am.

II. Approval of Minutes for February 26, 2026 (ACTION)

Chair Peterson called for any corrections to the minutes for the Finance and Land Use Committee Meeting for February 26, 2026. Visitor Alacbay noted a correction to a date on page one. The **MINUTES STOOD APPROVED AS CORRECTED.**

III. Financial Matters

Chair Peterson turned the meeting over to Dan Stephens, Interim Senior Vice President and Chief Financial Officer.

A. FY 2026 Q3 Financial Report

Mr. Stephens presented the Financial Report through February 2026.

- The overall net revenue loss in FY26, including tuition, mandatory student fees, and Room & Board, is approximately \$12.5M, which is just slightly higher than the \$12.1M reported back in February.
- We will not meet our planned \$16M budget for FY26, due to negative enrollments and significant rises in year-over-year health care costs and utilities that were not anticipated in building the final FY26 budget this time last year.
- Given the significant decline in tuition revenues related to international students, we will supplement net margin resources from other operational areas as well as using reserves to balance the cash books at FY26 yearend.

- Revenues are approximately \$713M or 83% of the Total FY26 Budget.
- Expenses are approximately \$592M or 69% of the Total FY26 Budget.
- Positive net margin of \$121M through year-to-date February 2026.
- \$121M surplus reported is based simply on a “timing difference” due mostly to the recognition of Tuition & Fees and Financial Aid throughout the fiscal year.
- Overall expenses through year-to-date February are generally in alignment with plan, 69% of the Total FY26 Budget, roughly two-thirds or 67% of a full calendar year.
- Total University Operating Budget for FY26 will close near break-even, or slightly negative.

B. FY 2027 Operating Budget (ACTION)

Mr. Stephens provided an overview of the FY27 Proposed Operating Budget.

- Historical state appropriation funding trends were presented.
- Even with a \$206M, or 108%, rise in state appropriations over the past seven years, George Mason continues to be ranked at the bottom of state funding support per student.
- Unfunded state mandates continue to put strain on the university’s budget, while rises in utility costs impact the FY26 and FY27 budgets.
- Since FY 2020, in-state undergraduate tuition has effectively been raised less than 50% of the time when including the FY23 undergraduate rebate.
- FY 2027 tuition scenarios were presented, recommending increases of 3.5% for in-state and 1.0% – 1.4% for out-of-state students, based on an equivalent dollar increase.
- Even with this percent increase in tuition, the FY27 E&G budget is projected to have an estimated \$8M shortfall in funds.
- A 3.5% increase for in-state undergraduate students amounts to \$360, and a \$504 increase for in-state graduate students attending full-time.
- A 3.5% increase aligns closely with current inflationary drivers impacting the economy.
- Peer institutions are all proposing similar tuition rate increases, despite all having raised tuition for FY26.
- George Mason is the only one of its peer institutions that did not raise in-state tuition last year.
- A \$132 increase for undergraduate and graduate students and a \$98 increase for Law, both representing a 3.5% increase over the current year, is recommended.

- Mason remains at the lowest collective funding level per student among all R1 Peer institutions in the Commonwealth.
- Mr. Stephens reviewed the Commonwealth budget status with both chambers proposing continuing current one-time funding into the next biennium.
- With the \$11M of State Operating Appropriations being supported by the House's Budget Request, FY27 will end with a projected \$6M net deficit in the Total Operating Budget.
- A 4.5% increase in in-state tuition will add an additional 1% of resources, resulting in an additional \$4M of net revenue.
- Mr. Stephens noted a number of on-going and future budget mitigation strategies, along with the efficiencies that have been achieved due to prior cost savings and revenue enhancement efforts.
- Approval of the FY 2027 Total Operating and E&G Budgets, including FY 2027 Tuition Rates and Mandatory Student Fees as detailed in the meeting materials, was recommended.
 - 3.5% increase in FY 2027 In-State Tuition Rates with an equivalent dollar increase for Out-of-State Tuition Rates.
 - 3.5% increase in FY 2027 Mandatory Student Fees.

IV. Capital Matters

Mr. Stephens turned the meeting over to Julie Zobel, Senior Vice President and Chief Operating Officer.

A. Six-Year Capital Plan (ACTION)

Ms. Zobel briefly reviewed the capital plan process, emphasizing the assurance of alignment with the board, transparency, accountability, and the University's strategic objectives.

- A six-year Capital Plan is provided in the Board materials.
- The Capital plan is anchored in the Mason 2050 vision.

Alex Iszard, Assistant Vice President of Planning, Design and Construction, provided an explanation of the capital projects included in the plan.

- The Interdisciplinary Science and Engineering Building and the Costello College of Business Building are intended to be submitted to the Commonwealth for general fund support.
- The Interdisciplinary Science and Engineering Building would consolidate needed renovations of Planetary Hall and David King Hall that will provide additional areas for education and research on the campus.

- Costello College of Business project would enable building a space to match the caliber of the business school, provide space in Enterprise Hall, and allow for deferred maintenance projects.
- The projects together are legislative requests of \$381.2M.
- Three main development priorities on the West Campus were:
 - Baseball Stadium – Total Authorization \$35M
 - High Performance Training Center - Total Authorization \$20M
 - Field House planning design to 65% – Total Authorization \$10M
- Proposed FY27 Deferred Maintenance Capital Projects were:
 - Critical Deferred E&G Maintenance - Total Authorization \$56M
 - Liberty Square Roof – Total Authorization \$6.1M
 - Rappahannock Garage Repair Phase I – Total Authorization \$4.1M
 - Mason Pond Garage Repair Phase II – Total Authorization \$3M
 - Southside Dining Renovation - \$9.5M
- Total capital program for FY 2027 is \$524.9M if the Commonwealth approves those projects submitted.
- Approval of the Six-Year Capital plan as detailed in the meeting materials was recommended.

B. Line of Credit Increase (ACTION)

Mr. Stephens presented an overview of the debt profile and a request for increased lines of credit.

- S&P final report released on March 25 affirms Mason's current AA- rating with a stable outlook.
- As of June 20, 2025, unaudited financial statements, Mason currently had approximately \$462M of total long-term debt, with the majority in 9C and 9D bonds.
- Average remaining life of debt is less than seven years and Mason is scheduled to pay down a substantial portion of debt over the next four years - \$140M by 2030.
- Mason has an existing \$68M line of credit with Atlantic Union Bank (AUB). AUB has agreed to expand the line of credit by up to \$15M for a total of \$83 Million, using a similar term duration but based on current interest rates.
- Wells Fargo Bank has offered Mason up to \$75M in a cost-effective variable-based line of credit with an annual renewal.
- Approval is requested to increase the AUB line of credit by up to \$15M and to establish a new line of credit for up to \$75M with Wells Fargo Bank.

C. Schematic Design & Budget Increase Approvals (ACTION)

Mr. Iszard presented the schematic designs and budget increase for approval to move from the design phase and begin construction for Telecom Infrastructure Phase 2 & 3

- Mason Pond Garage Repair Phase 1
- Potomac Heights Roof Replacement
- EagleBank Arena HVAC Replacement , which included a budget increase from \$11.7 to \$15 M for the required smoke evacuation system.

D. Land Use Certification (ACTION)

Mr. Iszard presented the Land Use Certification, which is put before the Board annually for approval.

- The one change from last year is the acquisition of townhomes adjacent to the SciTech Campus

E. Delegation of Authority for Tax-Exempt Financing Reimbursement Declarations (ACTION)

Mr. Stephens recommended that the Board delegate authority for tax-exempt financing reimbursement declarations to the President, Senior Vice President & Chief Financial Officer, and any other senior leadership role within the university designated by the President.

- This authority had previously been delegated to a position that no longer exists at the university.

V. Discussion

Visitor Rosen questioned if it was appropriate to do a bottom-line appropriations comparison of George Mason to Virginia Tech or UVA when the functions of what the state is supporting for those schools vary considerably, since these schools have football programs.

President Washington clarified that it is an appropriate comparison as State appropriations are E&G funding, and athletics is funded by an auxiliary enterprises and does not include state E&G funding.

President Washington noted that historical state appropriation growth has gone to financial aid, which has almost tripled, and E&G operating, which includes salaries. This reflects university priorities.

Representative Solomon questioned if the reason that Mason was in an appropriation hole was due to the fact that enrollment grew so fast but the appropriations stayed at a steady rate.

Dr. Washington clarified that state appropriations were never directly correlated to enrollment growth, so appropriations did not grow commensurate with enrollment growth. Other institutions did a better job of advocating for and getting resources from the state.

Visitor Rosen questioned, if the Board did not approve a tuition increase, what steps would be taken to balance the E&G budget.

Mr. Stephens referred to the ongoing FY26 and FY27 mitigation strategies, as well as the FY24 and FY25 achieved cost savings and revenues, noting that those efforts would continue, with reserve usage as a last resort.

Visitor Rosen asked for the amount in Mason's reserves with Mr. Stephens noting that reserves are balanced at the end of an audit year. Unrestricted reserves are currently between \$200M and \$250M.

President Washington noted that Mason is operating from a very lean framework. Budget mitigations occur on an ongoing basis.

Chair Peterson noted that the efficiency numbers George Mason presents are provided by SCHEV and wanted to make sure we are sharing cost-cutting strategies with SCHEV.

Representative Solomon questioned if Mason's faculty-to-student ratio is higher than UVA, which President Washington affirmed.

Visitor Altman asked how degree programs are eliminated by school or college as a means of strengthening or improving the overall financial position.

President Washington stated that this is ongoing as a natural consequence of doing business and that work in this area will continue, particularly with the challenges expected in the coming year.

Rector Meese requested clarification with respect to international student revenue decline and any associated cost decline from fewer students. Mr. Stephens affirmed that both sides were included in the impact calculations.

Visitor Rosen questioned how we are to explain to in-state students that they are getting a larger tuition increase than out-of-state students with Mr. Stephens noting that the dollar impact between in-state and out-of-state tuition is consistent, based on the in-state tuition increase amount.

Visitor Rosen asked how schools like those in the North Carolina system have gone nine consecutive years without increasing tuition, and if George Mason has looked at how was achieved.

President Washington noted that state systems like North Carolina and Maryland are able to hold tuition lower by providing higher state appropriations per student. NC State University

receives \$592M in appropriations, which is hundreds of millions of dollars more than Mason's state appropriation, despite being a similar school. Chair Peterson noted that decades ago, Virginia provided a much higher proportion of funding, much of which has been shifted to tuition over the years.

David Burge, Vice President for Enrollment Management, provided clarification on the history of raising in-state and out-of-state tuition, emphasizing the use of pricing sensitive studies when making pricing decisions.

With regard to the lines of credit Chair Peterson asked for clarification that the Board would need to approve any spending of the credit dollars.

Mr. Stephens confirmed the Board is being asked for authority to enter into the agreements. Before issuing any debt, the Committee would need to come before the Board for approval.

Visitor Montano requested clarification on the intended use of the Atlantic Union line of credit and paying it down. He noted the line of credit can go 20 years and is not necessarily short-term in the marketplace.

Mr. Stephens provided clarification.

Visitor Montano asked if the additional debt capacity was previewed with the rating agencies and if any change in ratings or stance is expected.

Mr. Stephens clarified that in a public institution and a not-for-profit, the bottom line is to serve the mission with the fewest resources necessary. Rating agencies prefer debt as a strategy, as opposed to cash.

Chair Peterson noted the lines of credit are an efficient financial direction.

Chair Peterson noted the six action items would be voted on en bloc.

Visitor Rosen requested the FY 2027 University Budget approval be separated from the other action items and be voted on separately.

Chair Peterson put for a **MOTION** for the approval of the:

- Six-Year Capital Plan
- University Lines of Credit
 - Increase existing line of credit with Atlantic Union Bank
 - Establish new line of credit with Wells Fargo
- Schematic Design & Budget Increase Approvals
 - Telecom Infrastructure Phase 2
 - Telecom Infrastructure Phase 3
 - Mason Pond Garage Repair Phase 1
 - Potomac Heights Roof Replacement

- EagleBank Arena HVAC Replacement
- Land Use Certification
- Delegation of Authority for Issuing Tax-Exempt Bond Financing Reimbursement Declarations

as detailed in the Board Book.

Motion was **SECONDED**. The **MOTION WAS CARRIED UNANIMOUSLY BY ROLL CALL VOTE**.

Chair Peterson **MOVED** the Committee approve the FY 2027 Operating Budget, including 3.5% increase in FY 2027 tuition and 3.5% increase in the FY 2027 mandatory student fee as detailed in the Board Book. Motion was **SECONDED**.

ROLL CALL VOTE

Yes 5

No 1

The Motion passes.

VI. Closed Session

A. Acquisition of Real Property (Code of VA: §2.2-3711.A.3)

Chair Peterson recognized Visitor Caswell, who **MOVED** that the Committee go into Closed Session under the provision of:

- Section 2.2-3711.A.3 for the discussion of potential acquisition of certain real property to further the mission of the University where discussion in open session would adversely affect the university's bargaining position and negotiating strategy.

Motion was **SECONDED**. The **MOTION WAS CARRIED UNANIMOUSLY BY ROLL CALL VOTE**.

Following closed session, Chair Peterson **MOVED** that the board go back into public session and further moved that by roll call vote the Committee affirm that only public business matters lawfully exempted from the open meeting requirements under the Freedom of Information Act were heard, discussed or considered in the closed meeting, and that only such business matters that were identified in the motion to go into a closed meeting were heard, discussed or considered in the closed meeting. Any member of the board who believes that there was a departure from the requirements as stated, shall so state prior to taking the roll call, indicating the substance of the departure that, in his or her judgment, has taken place. **ALL PRESENT BOARD MEMBERS RESPONDED IN THE AFFIRMATIVE BY ROLL CALL VOTE**

VII. Adjournment

There being no further business, Chair Peterson adjourned the meeting at 11:03 am