



CHARTERED 1693

THE COLLEGE OF WILLIAM AND MARY

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Dear William & Mary Community,

I owe you a report on the State of the College. This is the 317th year of the university's long life. How is William & Mary doing?

To begin with the elephant in the room, we confront serious financial challenges. The world, including William & Mary, is struggling amid the Great Recession. Since 2008, the Commonwealth of Virginia has reduced its support of the College's operations by more than 32 percent. More about the state cuts later in this report. Let's first focus on the good news characterizing William & Mary these days.

Despite the financial crisis confronting American higher education, especially those public schools once well supported by the taxpayers, the overall state of our university is quite promising. The campus remains a place of great natural and architectural beauty, of serious historical significance, and of compelling academic accomplishment.

Where else on earth are there so many red brick walks, lined with verdant lawns and boxwood, shaded gracefully by countless trees? What other school has ancient buildings so important in American history? What better time than now to be part of the nation's second oldest institution of higher education?

We're amid a physical transformation of the campus that is producing facilities suitable to the 21st century. We continue to enjoy record numbers of applicants and welcomed another group of extraordinary new students this fall. William & Mary's faculty continues to excel in teaching, scholarship and service. And we just had the most successful fundraising year in the College's history even though we are not in a campaign and recession was roaming the land.

Our historic campus is just reaching its prime.

A building boom is afoot at William & Mary. The College's first such boom was in the late 1600s and early 1700s. This one began in 2000. Since the turn of the century, 21 buildings on the main campus and five more at VIMS, a total of 1.5 million square feet, have been built or renovated.

If you've recently driven down Jamestown Road, you can't have missed Miller Hall, the gorgeous new home of our Mason School of Business, all 166,000 square feet of it. Located near the Lake Matoaka Amphitheater (itself beautifully restored a few years ago), Miller Hall now defines the southwestern corner of the campus.

Further east on Jamestown Road are phases 1 and 2 of the new Integrated Science Center. ISC 1 opened in summer 2008. ISC 2 opened last spring. Together, they total more than 160,000 square feet of state-of-the-art space for the chemistry, psychology and biology departments, providing easy opportunities for interdisciplinary work. ISC Phase 3 is being designed and awaits funding.

The university's main library – Swem – has undergone a massive renovation and expansion. We have rebuilt the student recreation center, created an elegant new place for undergraduate admissions in the College's old bookstore on Richmond Road, finished a long overdue renovation of the Commons Dining Hall (the "Caf"), constructed the splendid Jamestown Road dorms, and added a powerful new home for Tribe Football at the Laycock Center. Renovation and expansion are underway at our physics building, Small Hall. Construction is underway on a long-awaited facility for career counseling and placement, the Cohen Center.

Since 2000, the Law School has completely renovated its 1980 facility on South Henry Street, added a new wing of classrooms and offices, and built the splendid Wolf Law Library. We're just months away from completion of a marvelous new building for William & Mary's School of Education, on the site of the old Sentara Williamsburg Community Hospital. When finished in 2010, this 113,000 square-foot building will bring all of the Education School's activities under one roof for the first time ever. The recently completed Andrews Hall and Seawater Research Laboratory at the Virginia Institute of Marine Science have made a huge difference for the better.

This account of the College's building boom is hardly complete, but the picture is clear. While much remains to be done to bring our facilities fully into the 21st century, a vast amount has been accomplished since the turn of the century.

But it is people, not facilities, who are the mortar that holds an institution together. Without talented people of good character and high ambition, new buildings would avail us little. The people of William & Mary have been the College's abiding strength since 1693.

Our students are more impressive every year.

William & Mary remains in high demand. Undergraduate applications topped 12,000 last year for the first time ever – a 70 percent increase over the past decade. Graduate applications also increased. The nation's oldest law school had its most applicants ever. Almost 5,000 people applied for admission to the J.D. Class of 2012, over 24 applicants for each available seat. VIMS saw a 16 percent increase in graduate applications, while Education jumped 17 percent, Arts & Sciences increased 14 percent, and full-time business MBA applications rose almost 9 percent.

Our new students came with sterling credentials. Among the 1,395 freshmen in the Class of 2013, nearly 80 percent finished in the top 10 percent of their high school class, with a median SAT score of 1350. Twenty-five percent are students of color, and our international students increased. The largest cohort of new professional and graduate students was the Law School's J.D. Class of 2012, 213 strong. Their median undergraduate GPA is 3.66 and their median LSAT score 165 (92nd percentile).

Student activity on campus and in the community has never been higher. We have more than 400 student organizations, many of them focused on service. Most of our students participate in service projects in Williamsburg, throughout Virginia, and around the world. According to the most recent survey, William & Mary students devote more than 320,000 hours each year to helping others. Currently, 46 undergraduate alumni and two graduate alumni are serving with the Peace Corps. Thirty-six members of the Class of 2009 joined Teach for America.

Strong bodies as well as strong minds predominate on campus. More than 500 students compete on our 23 Division I teams. They finished last year with three league championships, raising William & Mary's all-time total to 95 in the Colonial Athletic League (more than any other school in the conference), and 197 Tribe athletes earned All-Conference honors. Three W&M players were drafted by professional teams last year.

Our varsity athletes are students in fact, not just rhetoric. Over the past 11 years, 46 of them have been elected to Phi Beta Kappa. Four of W&M's five Rhodes Scholars played on varsity teams. Our varsity athletes graduate at a similar rate as our

overall student body and well above the rates for varsity players at other schools such as UVA, Virginia Tech, Richmond, and Chapel Hill.

Beyond varsity sports we have 45 club teams (with 1,500 players) and nearly 600 intramural teams (with over 3,000 participants). Our new recreation center was open more than 4,500 hours last year and received nearly 162,000 visits. All told, about 80 percent of William & Mary students play on teams or work out. This is not a sedentary place.

Our faculty is superb.

Faculty members at William & Mary are exceptionally committed to their work as teachers and scholars. With a student-faculty ratio of 11 to 1 (remarkably good for a public university), our professors know their students by name and are deeply invested in their success. This is as true for our undergraduates as it is for our graduate and professional students. It is rare at a research university of William & Mary's caliber to have tenured and tenure-track professors so committed to undergraduates

These words from a longtime member of the faculty capture the reality of undergraduate education at William & Mary: Our students are "taught by professors, taught in small classes, graded by professors, guided by professors and known by professors during college and in later life." A colleague of more recent vintage at the College describes W&M as having "the heart of a college and the brains of a research university." And, to quote an undergraduate: "Professors are better than I could have imagined. They are the best teachers I have ever had. They are passionate about what they teach."

Our faculty conducts cutting-edge research. For example, professors from the university's Virginia Institute of Marine Science and from several departments in Arts & Sciences are embarked on a project called ChAP—the Chesapeake Algae Project. In collaboration with other academic and corporate partners, ChAP addresses two of the world's most pressing problems: environmental degradation and the energy crisis. ChAP seeks to produce biofuel from wild algae in a way that makes commercial sense. If ChAP proves itself, cultivation of the algae will filter out the excess nutrients that lead to "dead zones" and other environmental problems in the Chesapeake Bay. Then, the mature, oil-rich algae will be harvested for conversion into biofuel. As one of our scientists puts it, "We want to take pollution and convert it to fuel. And do so on a large, profitable scale." ChAP differs from other algal biofuel initiatives by using

wild strains of algae, whereas the usual project is based on a monoculture—cultivation of a single algal species.

The university's Institute for the Theory and Practice of International Relations has built the world's most comprehensive and accessible database on foreign aid through its PLAID (Project-Level Aid) project. PLAID is giving representatives of governments and foreign-aid agencies a sort of "Consumer's Report" on foreign aid. A group of our economists is pursuing the crucial question of what makes otherwise rational people choose high-risk financial instruments when they say they want to invest conservatively.

Though William & Mary has no medical school, we do research that advances the understanding of disease and how to cure, treat or prevent it. For instance, we are studying how blood vessels supply oxygen to the brain. We sometimes think of stroke as a brain disease, but it's actually a vascular disease. This work also has implications for Alzheimer's and hardening of the arteries. Our neuroscientists are probing some of the automatic functions of the brain. In Applied Science, we are working on the neural genesis of rhythmic respiration, important to clinical applications from sleep apnea to Sudden Infant Death Syndrome.

Each year the Commonwealth of Virginia presents Outstanding Faculty Awards (OFA's), the top honor for faculty in the Commonwealth. OFA's go to only twelve people from colleges and universities across the state, public and private. Two William & Mary professors received OFA's last year. Since the state began these awards in 1987, 33 William & Mary faculty members have received them, more than from any other college or university in the Commonwealth.

We had seamless changes in leadership during the past year.

Still on the subject of the human mortar so important to William & Mary's success, we recently moved through a time of significant change in the senior leadership of the university. During the last year, our Board of Visitors chose a new Rector, Vice Rector, and Secretary. The university selected a new president (the 27th), a new provost, two new vice presidents, and a new law school dean. This much change in the senior leadership of a university in a single year is unusual. It is even rarer to move through it as seamlessly as William & Mary did.

Our alumni continue to lead the way.

Alumni are crucial William & Mary mortar. In countless ways, large and small,

across the country and around the world, our alumni live lives rich with accomplishment and service. Not since John Tyler was the country's 10th president has the alma mater of a nation had its alumni so involved in the nation's executive branch. U.S. Secretary of Defense Robert Gates '65 is the only cabinet member to work for both Presidents Bush and Obama, no small feat. As Chair of the Council of Economic Advisors, Christy Romer '81 serves as a key White House advisor on the economy. In Congress, Representative Eric Cantor, a 1988 graduate of the Law School, serves as the Republican Whip. In the past year, Thomas Shannon '80 was named U.S. Ambassador to Brazil and Jon Jarvis '75 the director of the National Park Service. General David McKiernan '72 commanded U.S. and international forces in Afghanistan until his retirement this year. Pittsburgh Steelers Head Coach Mike Tomlin '95 became the youngest head coach to win a Super Bowl. New York Times reporter Serge Kovalski '84 received a Pulitzer Prize. Jon Stewart '84 won yet more Emmys for "The Daily Show," while Glenn Close '74 also added to her cache of Emmys and received a star on the Hollywood Walk of Fame.

We are celebrating tradition and forging change.

A building boom and superb people are propelling William & Mary into this century. It also helps to have an up-to-date roadmap to chart our way forward. It has been quite a few years since the university undertook an across-the-board strategic look at where we hope to go and how we plan to get there. We just spent a year – the Board of Visitors, faculty, staff, students and alumni – working on a roadmap. It provides a strategic framework that we are now beginning to implement. The result will be an evolutionary process that drives our annual budgeting effort.

Let me mention three central ideas that have emerged from the planning process.

First, William & Mary is one of the world's leading liberal arts universities. We have the strengths of a superb liberal arts college – breadth of study, residential campus, low student-faculty ratio, small classes, an emphasis on student research, close relationships between students and faculty, as well as a strong sense of community; and we couple these strengths with those of a research university that is committed to cutting-edge scholarship and graced with well chosen graduate and professional programs. William & Mary's success in blending the strengths of an extraordinary liberal arts college with those of a serious research university constitute our greatest comparative advantage.

This year we will launch a campus-wide conversation about what it means to pursue the liberal arts in the 21st century. We will explore as well how, within our resources, to become more interdisciplinary, diverse, and international, and how to increase research closely linking faculty with students.

Second, those universities that thrive in this century will be sustained by their alumni. To a remarkable extent, William & Mary's graduates have respect and affection for their alma mater. Drawing on this reality, a crucial mission will be strengthening the lifetime ties between our alumni and the College, while also enhancing the sense of stewardship among alumni for the inheritance shared in William & Mary.

Third, a great many of our students come to the College wanting to change the world and eager to learn how to do it. With increasing efficacy, we need to provide them with the tools. We need to help them develop as leaders both in and beyond the classroom, in civic engagement, athletics, the arts and international programs. We need to give them opportunities to explore, experiment, build teams, and lead change.

William & Mary must build a new financial foundation for its future.

To pursue the three ideas just sketched, along with many others, our strategic thinking has to be deadly serious about resources. The financial model that served the College reasonably well since 1906, when William & Mary became a public school, no longer works except in the area of capital projects. Nor is there any realistic prospect that it will work again in the future. A generation ago, the state provided over 43 percent of our operating budget. This year it will provide less than 14 percent. Since 2008, the state has cut its funds for the College's operating budget five times for a total of \$16.6 million, or 32 percent. Given the state's other commitments (K-12 education, health care, prisons and public safety, infrastructure, and environmental protection, to name some of the leading demands on tax dollars), higher education has little chance of recovering the dollars lost over the last generation, much less receiving increased support. Only when it comes to facilities, where the state can fund construction with debt, does the Commonwealth continue to provide primary support.

There are several aspects to building a new financial foundation for the university. We must try very hard to persuade the state to let William & Mary have the freedom to support itself. If allowed, we can increasingly fend for ourselves. We need also to find new ways to earn revenue unrelated to tuition. Crucially important, we must enhance our fund-raising capacity. This will be a multi-faceted challenge,

but one resting on lifelong ties to alumni. And the university must operate more efficiently, use technology to become more productive, and stop doing things that, even though worthy in themselves, do not contribute significantly to our main mission.

Our endowment has been challenged by the Great Recession. It declined 14.7 percent in 2009, finishing the fiscal year at \$494.8 million. This decline, though painful, compares well to the fates of many other college and university endowments.

Last fiscal year, the one that ended June 30, 2009, William & Mary raised more money, cash in the exchequer, than ever before in the College's history. This happened, amazingly enough, despite the Great Recession and without an ongoing fund-raising campaign. Almost \$51 million in cash gifts came our way. These dollars were crucial to financial aid for students, support for academic programs and maintenance of our facilities.

William & Mary repeatedly ranks among the nation's best universities despite consistently poor rankings financially. The latest rankings released by *U.S. News & World Report* crystallized once again that William & Mary is an over-achiever. We rank 33rd in quality among national universities and sixth for commitment to teaching, but just 88th in financial resources. That is the lowest financial ranking by far among the magazine's top 50 universities, public or private. For generations, we have done more with less. To realize our potential in this century, we need to build a financial model that lets us do more with more.

Final thoughts.

A bit more about rankings. The *Forbes* results recently came out, with W&M as the fourth highest among public universities and the only non-military public in the top 50. We were one of only five universities to make the *Forbes* top 50 list in both quality and value. William & Mary also did well in the *Princeton Review* rankings, which are based on surveys of undergraduates, with Swem Library seventh in the country, faculty eighth, and undergraduate happiness 14th. The College's "Green Grade" in the *Princeton* evaluation improved from 84 to 90 (on a scale of 60-99). And in the most recent *Washington Monthly* rating – a listing that looks at the university's ability to prepare students to make a difference in society – W&M finished eighth. That's the highest of any school in Virginia.

Last fall, we marshaled a Committee on Sustainability, to administer the

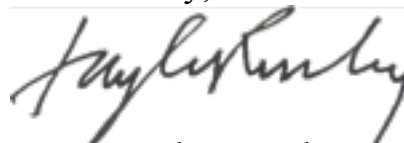
“Green Fee” (the \$30 annual levy that the students voted to impose on themselves – or their parents). The Green Fee raises more than \$200,000 each year. Today, the committee includes more than 120 staff, faculty, students and administrators in three subcommittees and 10 working groups. Examples of their efforts to date include an audit of sustainability in the College’s curriculum, improved environmental procurement standards, the funding of HVAC upgrades in Washington and Tyler Halls, and undergraduate research in solar cell production. Last summer, two sustainability interns researched the College’s recycling program and identified over \$40,000 in savings. And a recent report showed that W&M has reduced its greenhouse gas emissions size by almost 16 percent.

The university launched a vastly improved website on July 31, 2008. Wm.edu has become our face to the world. It has received much acclaim with three recent national awards, including one for best redesign and one for photography. Since December 1, 2008, we’ve had nearly 16 million hits to www.wm.edu, including nearly 1.5 million unique visitors. Blogging came with the revamped website. Since December 1, 2008, the W&M blogs have had about 380,000 hits and 49,000 unique visitors. Currently, 25 students and 14 faculty and staff blog on the site.

And, finally, the quest for a new mascot! While “The Tribe” will remain the prime rallying cry for William & Mary people, we need a mascot to replace our proscribed feathers. Thanks to an effort that pursued mascot suggestions via blogs, Twitter, Facebook, and YouTube, the mascot committee received a striking response, 839 nominations (over 300 of them unique). The committee will shortly put on the web several finalists, and after time for comment on them, the committee will make its recommendation to me and the Board of Visitors. Surely, we will have a new mascot in uniform and trained before the leaves return to the trees next spring. Sooner I hope.

William & Mary has been doing a lot right for a long time. Despite the financial challenges of the moment, I have steely confidence that this is going to be a century of profound progress for the College.

Cordially,

A handwritten signature in dark ink, appearing to read "W. Taylor Reveley, III". The signature is fluid and cursive, written over a horizontal line.

W. Taylor Reveley, III
President