



Overview of the
Budget Development Process
and the
2015-16 Operating Budget

University of Mary Washington
University Budget Advisory Committee
September 14, 2015

Today's discussion points

- Annual Budget Development Process
- Overview of the 2015-16 Operating Budget
- 2015-16 Tuition and Fee Schedule
 - State Financing
- Overview of 2016-18 State Budget Requests
- Six-Year Capital Plan

2016-17 Budget Development Timeline

- Operating Budget Fiscal Year: July 1 – June 30
- Late Summer / Early Fall – State guidance
- Late October – Internal Request Guidance to VPs
- Late December – Governor’s 2016-18 Budget released
- January 13 - March 12 – 2016 General Assembly Session (60 day long session)
- January to early February – VPs prioritize requests for their areas and submit to Budget Office
- Mid-February to Mid-March – VPs present requests to UBAC; requests are prioritized by UBAC
- Mid-March – UBAC submits recommendations to President through CAO and CFO
- April/May – President recommends 2016-17 budget and tuition and fees to Board of Visitors

2015-16 Total Operating Budget

| Sources | 2014-15 | 2015-16 | Change |
|------------------------------------|-----------------------|-----------------------|-------------|
| State General Funds | | | |
| Educational and General Programs | \$ 21,461,307 | \$ 23,192,774 | 8.1% |
| Student Financial Assistance | 1,884,885 | 3,112,265 | 65.1% |
| Belmont / James Monroe Museum | 683,665 | 697,065 | 2.0% |
| Dahlgren Campus | 1,250,000 | 1,250,000 | 0.0% |
| Total General Funds | \$ 25,279,857 | \$ 28,252,104 | 11.8% |
| Nongeneral Funds | | | |
| Student Tuition and Fees | \$ 51,851,200 | \$ 54,871,200 | 5.8% |
| Sales and Services | | | |
| Housing | 9,199,300 | 9,529,300 | 3.6% |
| Dining | 8,857,000 | 9,883,000 | 11.6% |
| Bookstore | 2,200,000 | 2,000,000 | -9.1% |
| Grants and Contracts | 2,950,000 | 3,095,000 | 4.9% |
| Other Sources | 3,573,230 | 3,480,430 | -2.6% |
| Total Nongeneral Funds | \$ 78,630,730 | \$ 82,858,930 | 5.4% |
| Total Sources | \$ 103,910,587 | \$ 111,111,034 | 6.9% |
| Uses | | | |
| Instruction | \$ 29,110,325 | \$ 30,523,606 | 4.9% |
| Research and Public Service | 1,139,435 | 1,183,035 | 3.8% |
| Academic Support | 9,577,135 | 9,954,900 | 3.9% |
| Student Services | 7,682,585 | 7,994,585 | 4.1% |
| Institutional Support | 5,862,132 | 6,099,953 | 4.1% |
| Operation and Maintenance of Plant | 7,083,613 | 7,518,613 | 6.1% |
| Scholarships and Fellowships | 6,822,385 | 7,844,765 | 15.0% |
| Auxiliary Enterprises | 34,006,781 | 37,251,981 | 9.5% |
| Museums & Cultural Services | 1,076,196 | 1,089,596 | 1.2% |
| Higher Education Centers | 1,550,000 | 1,650,000 | 6.5% |
| Total Uses | \$ 103,910,587 | \$ 111,111,034 | 6.9% |
| Budget Balance | \$ - | \$ - | |

Key budget changes for 2015-16 . . .

- Assumes no further use of reserves
 - Corrects structural imbalance in 2014-15 budget
- Provides additional \$1 million in need-based student financial assistance
- Reflects permanent salary increases for faculty and staff
 - \$2,000 increase for full-time teaching faculty
 - \$1,700 increase for administrative faculty
 - 2% base increase for classified staff
 - Plus \$65 for each year of state services
 - 2% increase for wage employees

Key budget assumptions (cont'd) . . .

- Supports new full-time faculty position for Nursing
- Allocates funds for the University Center
 - \$325,000 for debt service pool
 - \$109,000 for operation and maintenance pool
 - Total O&M of \$300,000 for 2015-16
- Provides additional operating funds for ITCC
 - \$145,000 for operation and maintenance pool
 - Total O&M of \$400,000 for 2015-16

Tuition and fees for 2015-16 . . .

| | In-State Students | | | | Out-of-State Students | | | |
|--------------|--------------------------|-----------------|----------------|-------------|------------------------------|-----------------|----------------|-------------|
| | <u>2014-15</u> | <u>2015-16</u> | <u>Change</u> | | <u>2014-15</u> | <u>2015-16</u> | <u>Change</u> | |
| | | | <u>Dollar</u> | <u>%</u> | | | <u>Dollar</u> | <u>%</u> |
| Tuition | \$5,190 | \$5,604 | \$414 | 8.0% | \$18,476 | \$19,768 | \$1,292 | 7.0% |
| Comp Fee | 5,062 | 5,466 | 404 | 8.0% | 5,062 | 5,466 | 404 | 8.0% |
| Housing | 5,766 | 5,882 | 116 | 2.0% | 5,766 | 5,882 | 116 | 2.0% |
| Board | 3,664 | 3,812 | 148 | 4.0% | 3,664 | 3,812 | 148 | 4.0% |
| Total | <u>\$19,682</u> | <u>\$20,764</u> | <u>\$1,082</u> | <u>5.5%</u> | <u>\$32,968</u> | <u>\$34,928</u> | <u>\$1,960</u> | <u>5.9%</u> |

State financing goal for higher education

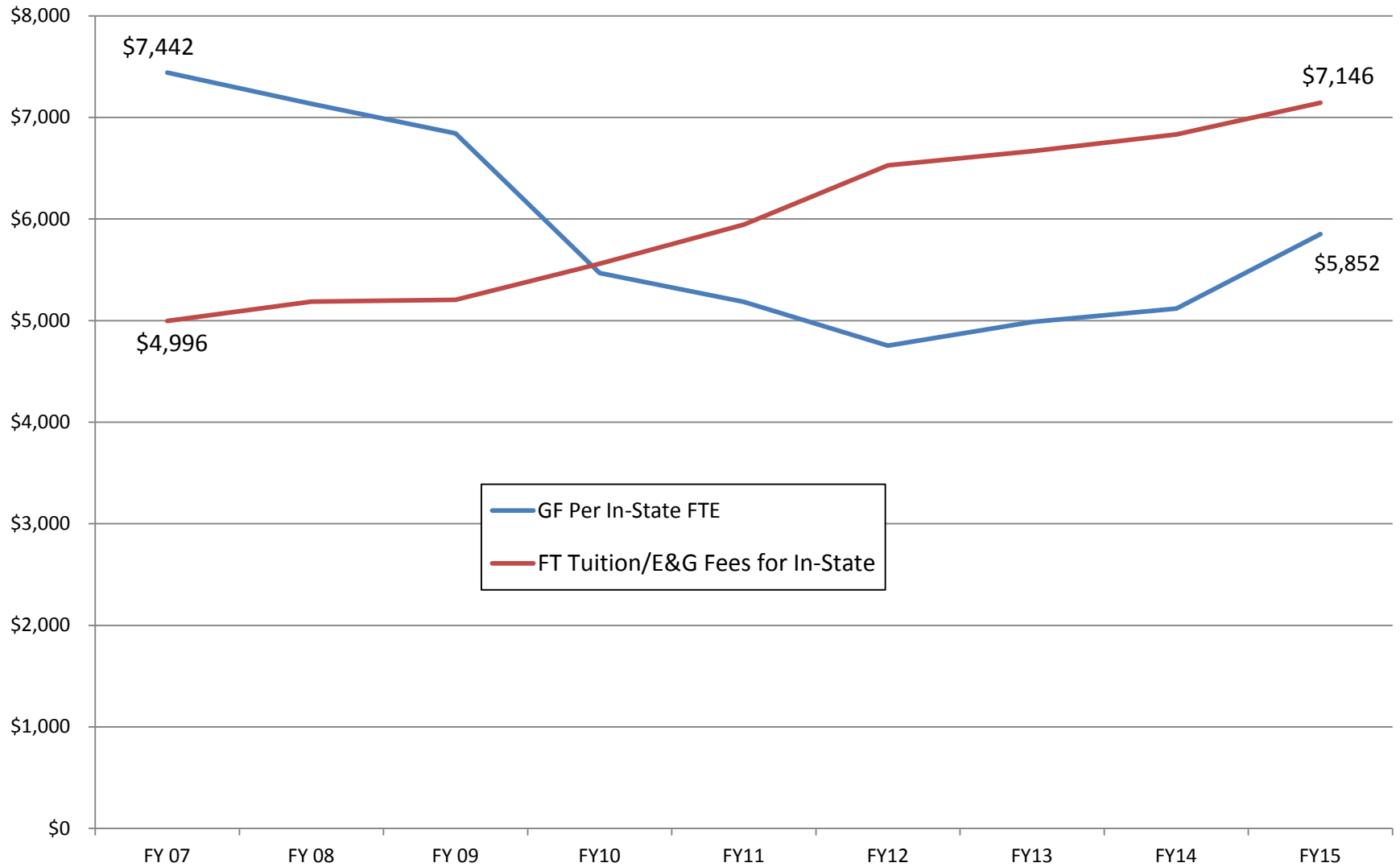
- 2015 Appropriation Act – Chapter 665, Section 4-2.01.3.a
 - “In determining the appropriate state share of educational costs for resident students, the General Assembly shall seek to cover at least 67 percent of educational costs...”.

Where are we with regard to the state financing goal?

| | |
|----------------------------|---------------------|
| | <u>2014-15</u> |
| UMW Cost Per FTE | \$13,435 |
| <i>SCHEV calculation</i> | |
| State Funding Goal | |
| Cost x 67% | \$9,001 |
| Actual GF per In-State FTE | \$5,597 |
| Shortfall per In-State FTE | (\$3,405) |
| Additional GF Needed | |
| Per FTE Shortfall | \$3,405 |
| Times In-State FTE | x <u>3,764</u> |
| GF Increase* | \$12,816,420 |

* Would allow E&G tuition and fees to be reduced by \$3,405 per full-time student, or 48%.

University of Mary Washington Per In-State FTE Funding (in 2014-15 Constant Dollars)



Public Higher Education Support Per Student – FY14

| | State/Local | | Tuition & Fee Rev | | Total Revenue | | | |
|----------------|----------------|------|-------------------|--------|---------------|----------------|--------|----|
| | Approp Per FTE | Rank | Per FTE | Rank | Per FTE | Rank | | |
| Wyoming | 15,561 | 1 | Delaware | 13,835 | 1 | Alaska | 18,960 | 1 |
| Alaska | 13,978 | 2 | Vermont | 12,951 | 2 | Delaware | 18,852 | 2 |
| Illinois | 12,293 | 3 | Rhode Island | 10,971 | 3 | Illinois | 18,517 | 3 |
| North Carolina | 8,562 | 4 | Michigan | 10,962 | 4 | Wyoming | 18,284 | 4 |
| New York | 8,454 | 5 | Alabama | 9,905 | 5 | Michigan | 15,727 | 5 |
| Texas | 8,050 | 6 | New Hampshire | 9,857 | 6 | Rhode Island | 15,661 | 6 |
| New Mexico | 8,029 | 7 | Pennsylvania | 9,236 | 7 | Vermont | 15,320 | 7 |
| North Dakota | 7,888 | 8 | South Carolina | 8,432 | 8 | Maryland | 15,139 | 8 |
| Nebraska | 7,840 | 9 | Maine | 8,400 | 9 | Connecticut | 14,941 | 9 |
| Arkansas | 7,653 | 10 | South Dakota | 8,221 | 10 | Alabama | 14,927 | 10 |
| Hawaii | 7,618 | 11 | Iowa | 8,118 | 11 | Maine | 14,652 | 11 |
| Maryland | 7,512 | 12 | Colorado | 8,115 | 12 | North Dakota | 14,640 | 12 |
| California | 7,509 | 13 | New Jersey | 8,048 | 13 | New Jersey | 13,568 | 13 |
| Georgia | 7,297 | 14 | Connecticut | 7,749 | 14 | Iowa | 13,453 | 14 |
| Connecticut | 7,192 | 15 | Virginia | 7,709 | 15 | Nebraska | 13,241 | 15 |
| Oklahoma | 7,080 | 16 | Maryland | 7,626 | 16 | New York | 13,225 | 16 |
| Nevada | 7,016 | 17 | Ohio | 7,344 | 17 | Texas | 13,175 | 17 |
| Idaho | 7,004 | 18 | West Virginia | 7,216 | 18 | Kentucky | 13,151 | 18 |
| Tennessee | 6,959 | 19 | Minnesota | 7,111 | 19 | Pennsylvania | 12,890 | 19 |
| Kentucky | 6,824 | 20 | North Dakota | 6,752 | 20 | North Carolina | 12,879 | 20 |
| Mississippi | 6,514 | 21 | Indiana | 6,685 | 21 | Tennessee | 12,848 | 21 |
| Maine | 6,252 | 22 | Illinois | 6,664 | 22 | South Carolina | 12,639 | 22 |
| Massachusetts | 6,073 | 23 | Oregon | 6,577 | 23 | Minnesota | 12,439 | 23 |
| Florida | 5,798 | 24 | Arizona | 6,518 | 24 | Oklahoma | 12,432 | 24 |
| Wisconsin | 5,786 | 25 | Kentucky | 6,327 | 25 | Virginia | 12,409 | 25 |
| Washington | 5,700 | 26 | Tennessee | 6,040 | 26 | South Dakota | 12,298 | 26 |
| Alabama | 5,673 | 27 | Kansas | 5,885 | 27 | New Hampshire | 12,216 | 27 |
| Kansas | 5,648 | 28 | Missouri | 5,544 | 28 | West Virginia | 11,930 | 28 |
| Louisiana | 5,606 | 29 | Montana | 5,505 | 29 | New Mexico | 11,789 | 29 |
| West Virginia | 5,530 | 30 | Wisconsin | 5,419 | 30 | Georgia | 11,757 | 30 |
| New Jersey | 5,520 | 31 | Nebraska | 5,401 | 31 | Arkansas | 11,731 | 31 |
| Utah | 5,506 | 32 | Oklahoma | 5,352 | 32 | Indiana | 11,690 | 32 |
| Iowa | 5,335 | 33 | Washington | 5,256 | 33 | Ohio | 11,658 | 33 |
| Minnesota | 5,327 | 34 | Texas | 5,125 | 34 | Hawaii | 11,550 | 34 |
| Missouri | 5,297 | 35 | Alaska | 4,982 | 35 | Kansas | 11,533 | 35 |
| Arizona | 5,171 | 36 | Arkansas | 4,951 | 36 | Arizona | 11,339 | 36 |
| Delaware | 5,052 | 37 | Massachusetts | 4,929 | 37 | Idaho | 11,265 | 37 |
| Indiana | 5,005 | 38 | Utah | 4,869 | 38 | Wisconsin | 11,205 | 38 |
| Montana | 4,939 | 39 | New York | 4,771 | 39 | Colorado | 11,138 | 39 |
| South Carolina | 4,894 | 40 | Louisiana | 4,568 | 40 | Nevada | 11,011 | 40 |
| South Dakota | 4,878 | 41 | Georgia | 4,468 | 41 | Massachusetts | 11,002 | 41 |
| Virginia | 4,779 | 42 | Mississippi | 4,433 | 42 | Washington | 10,956 | 42 |
| Michigan | 4,765 | 43 | North Carolina | 4,317 | 43 | Mississippi | 10,947 | 43 |
| Rhode Island | 4,690 | 44 | Idaho | 4,261 | 44 | Missouri | 10,841 | 44 |
| Ohio | 4,314 | 45 | Nevada | 3,995 | 45 | Oregon | 10,791 | 45 |
| Oregon | 4,214 | 46 | Hawaii | 3,932 | 46 | Montana | 10,444 | 46 |
| Pennsylvania | 3,654 | 47 | New Mexico | 3,760 | 47 | Utah | 10,375 | 47 |
| Colorado | 3,022 | 48 | Florida | 3,121 | 48 | Louisiana | 10,174 | 48 |
| Vermont | 2,816 | 49 | Wyoming | 2,761 | 49 | California | 9,593 | 49 |
| New Hampshire | 2,360 | 50 | California | 2,084 | 50 | Florida | 8,919 | 50 |
| US | 6,552 | | US | 5,777 | | US | 12,266 | |

Source: FY2014 State Higher Education Finance Study;
State Higher Education
Executive Officers Association

2015-16 tuition and fee comparisons

| Rank | IS Commuter* | | OS Commuter* | | Room & Board | | IS Total | | OS Total | |
|------|--------------|-----------------|--------------|-----------------|--------------|----------------|------------|-----------------|------------|-----------------|
| 1 | W&M | \$19,372 | UVA | \$43,764 | W&M | \$10,978 | W&M | \$30,350 | UVA | \$54,165 |
| 2 | VMI | \$16,536 | W&M | \$41,072 | CNU | \$10,614 | VMI | \$25,202 | W&M | \$52,050 |
| 3 | UVA | \$14,468 | VMI | \$39,550 | UVA | \$10,401 | UVA | \$24,869 | VMI | \$48,216 |
| 4 | VCU | \$12,772 | GMU | \$31,598 | UVA-W | \$10,256 | CNU | \$23,140 | GMU | \$41,408 |
| 5 | CNU | \$12,526 | VCU | \$31,463 | VSU | \$10,252 | VCU | \$22,358 | VCU | \$41,049 |
| 6 | VT | \$12,485 | VT | \$29,129 | GMU | \$9,810 | LU | \$21,468 | VT | \$37,355 |
| 7 | LU | \$11,910 | ODU | \$26,508 | UMW | \$9,694 | UMW | \$20,764 | ODU | \$35,954 |
| 8 | UMW | \$11,070 | LU | \$26,070 | VCU | \$9,586 | GMU | \$20,762 | UVA-W | \$35,710 |
| 9 | GMU | \$10,952 | UVA-W | \$25,454 | LU | \$9,558 | VT | \$20,711 | LU | \$35,628 |
| 10 | JMU | \$10,066 | UMW | \$25,234 | ODU | \$9,446 | UVA-W | \$19,476 | UMW | \$34,928 |
| 11 | RU | \$9,809 | JMU | \$25,200 | JMU | \$9,396 | JMU | \$19,462 | JMU | \$34,596 |
| 12 | ODU | \$9,768 | CNU | \$23,824 | NSU | \$8,970 | ODU | \$19,214 | CNU | \$34,438 |
| 13 | UVA-W | \$9,220 | RU | \$22,093 | RU | \$8,677 | RU | \$18,486 | RU | \$30,770 |
| 14 | NSU | \$8,366 | NSU | \$20,884 | VMI | \$8,666 | VSU | \$18,478 | NSU | \$29,854 |
| 15 | VSU | \$8,226 | VSU | \$18,398 | VT | \$8,226 | NSU | \$17,336 | VSU | \$28,650 |

Timeline for 2016-17 tuition and fee rate setting

- November 2015 BOV Meeting
 - 2016-17 room and board rates
- November 2015 – March 2016
 - Hold student forums on tuition and fees
- January – April 2016 BOV Meetings
 - Discuss potential tuition and fee scenarios
 - Actions of the 2016 General Assembly
 - Fall 2016 enrollment estimates
- May 2016 BOV Meeting
 - Set 2016-17 tuition and fee rates
 - Adopt 2016-17 operating budget

State budget development guidance

- FY15 ended with large state revenue surplus
 - Additional resources obligated – none available for new spending requests
 - Revenue Stabilization Fund and Water Quality Fund
- State revenue picture is uncertain
 - Sequestration; cutbacks in military spending
- New requests must address Governor's goals
 - Provide affordable access for all
 - Optimize student success for work and life
 - Drive change and improvement through innovation and investment
 - Advance the economic health of the Commonwealth

2016-18 state budget requests

| DECISION PACKAGES | General Funds | |
|--|--------------------|--------------------|
| | 2016-17 | 2017-18 |
| 1. Increase Salaries for Faculty and Staff | \$656,100 | \$1,326,150 |
| <i>This initiative seeks general fund support to offset the cost of salary increases by an average 4.25% each year for faculty and by 3.0% each year for administrative faculty and classified staff. (Requires tuition match of \$801,900 in FY17 and \$1.6M in FY18.)</i> | | |
| 2. Establish Sexual Assault Prevention and Education Program | 115,000 | 115,000 |
| <i>Enhance efforts to increase student, faculty, and staff awareness, knowledge, prevention and response to issues of sexual assault, sexual misconduct, domestic violence, stalking, harassment and alcohol and drug abuse.</i> | | |
| 3. Establish and Promote Academic Areas of Distinction | 950,000 | 1,075,000 |
| <i>Funding will be targeted to further develop academic and support programs with a high potential for increasing the retention, graduate, and employability of UMW's students. Preliminary targeted areas include the BSN degree completion program, the College of Education five-year pathway, and various programs supporting internships, practicums, and partnerships in Washington and Richmond, as well as additional funding for faculty-student research projects.</i> | | |
| 4. Expand Efforts to Optimize Student Success | 550,000 | 550,000 |
| <i>This initiative includes support for UMW's new Career and Professional Development Center and enhanced recruitment and academic support programs for underrepresented student populations, including first generation, underserved students, minorities and veterans.</i> | | |
| 5. Operation and Maintenance Costs | 453,000 | 608,000 |
| <i>Funding will support operating and maintenance costs for Woodard, Mercer and Seacobeck.</i> | | |
| Subtotal - Decision Packages | \$2,724,100 | \$3,674,150 |

2016-18 state budget requests (cont'd)

| TECHNOLOGY REQUESTS | General Funds | |
|--|--------------------|--------------------|
| | 2016-17 | 2017-18 |
| 1. Establish 3-Year Replacement Cycle for PCs | \$750,000 | \$750,000 |
| 2. Support High Priority Enhancements to UMW's Enterprise System | 500,000 | 500,000 |
| <i>This initiative will help ensure that various system modules are up-to-date and fully-functional. Particular emphasis will be in the areas of Admissions, Financial Aid, Student Records, Academic Support and Finance.</i> | | |
| 3. Purchase Online Space Scheduling System | 315,000 | 35,000 |
| <i>This system will ensure that the university's space is being efficiently scheduled and utilized and will support space needs for classroom instruction, labs, meetings, and events.</i> | | |
| 4. Overhaul UMW's Web Communication Platform | 400,000 | 400,000 |
| <i>This initiative will support efforts to undertake a complete review, modification, and consolidation of more than 25,000 separate web pages comprising the university's current web presence.</i> | | |
| Subtotal - Technology Requests | \$1,965,000 | \$1,685,000 |
| GRAND TOTAL OF ALL REQUESTS | \$4,689,100 | \$5,359,150 |

Six-year capital outlay plan

2016-18

| | |
|---|--------------|
| 1. Jepson Science Center Construction - General Funds | \$32,867,804 |
| 2. Renovate Seacobeck Hall - General Funds | 26,665,200 |
| 3. Construct New Physical Plant - General Funds | 21,825,000 |
| 4. New Parking Deck - Bonds | 7,000,000 |

2018-20

| | |
|--|------------|
| 5. Simpson Library Renovation - General Funds | 21,175,024 |
| 6. New Performing Arts Facility - General Funds | 61,000,000 |
| 7. Card Access System - Campuswide - General Funds | 4,988,668 |
| 8. Repair/Replace Underground Utilities - General Funds | 8,320,000 |
| 9. Improvements to Gari Melcher's Museum - General Funds | 3,796,870 |

2020-22

| | |
|---|------------|
| 10. Renovate DuPont/Melchers/Pollard Hall - General Funds | 19,497,600 |
| 11. Renovate George Washington Hall - General Funds | 38,394,637 |
| 12. Renovate Goolrick Hall - General Funds/Bonds | 16,858,576 |
| 13. Renovate Residence Halls Phase II - Bonds | 15,782,000 |
| 14. Construct Dahlgren Phase II - General Funds | 29,153,696 |

QUESTIONS?