

## Budget Advisory Meeting

September 14, 2015

Present: Brian Rizzo, Dana Hall, Davis Oldham, Jane Huffman, Miriam Liss (secretary Fall 2015), Stephen Farnsworth, Werner Wieland (Chair), Paul Messplay, Rick Pearce

2016-2017 Budget development guidelines discussed. In late December the Governor's Budget is released and in January and February requests are submitted to the budget office.

Budget set by March/April

Operating budget for 2015-2016 discussed. 8.1% increase in state support for 2015-2016 compared to 2014-2015. 65% of this money was given to student financial assistance. We offered a \$10,000 scholarship to high academic students and many of them took this. The student financial assistance is largely to credit for record freshman class.

There was no increase in funds for the Dahlgren Campus. Last year the Dahlgren campus contributed \$500,000 to the operating budget of this campus. There was some discussion of the use of the space at the Dahlgren campus. The space is underutilized but does do about \$400,000 in rentals every year.

Other increases from last year: Student tuition and fees increased 5.8%

We had revenue increase from dining and housing of almost \$1,000,000

The bookstore is decreasing their revenue.

There is some loss of revenue from the Stafford campus, there was a defense acquisition contract that was expired and they are no longer renting space from Stafford.

The following are the biggest budget changes for 2015-2016

We are no longer using reserves to balance budget. We took \$2 million from reserves last and have no plan at this point to pay it back.

We are providing an additional \$1 million in need based student aid.

The \$2,000 increase in full time teaching salary

\$1,700 increase for administrative faculty

2% increase for classified staff (plus \$65 for each year of state service)

2% increase for wage employees.

Full time faculty position for nursing

Funds for the University Center (\$300,000 operation and maintenance costs)

Funds for ITCC had an increase in operating budget (\$400,000 operation and maintenance).

Some worry about a possible federal shutdown. October 1. This will affect the state if there is a big decline in federal funds.

Tuition and Fee increases for this year:

5.5% for in state students, 5.9% for out of state students.

General Assembly has a cost sharing goal that state pays for 67% for in state student.

The state does not give this share. It actually gives more like 19-23%. If they paid the 67%, we would get another \$12 million from the state.

The cost of educating students has not gone up much (around 4% since 2007). What is increasing cost is things like fitness centers, ITCC centers etc. We got state funding to build these centers but not to manage them etc. However, these buildings are going to attract and maintain students.

What is the long term plan for improving our budget?

We are relying on recruitment and maintaining students and increasing out of state students.

To that end we are improving facilities, adding minors, and doing targeted out of state recruitment.

Virginia has among the lowest taxes in the country. It charges among the highest fees for tuition in the country. We are around in the middle for how much revenue is generated for each student. However, most of this revenue comes from the student, rather than the state.

In terms of how expensive we are compared to other state schools: UMW falls 8/15 for in state commuter, 10/15 for out of state commuter. We are 7/15 for room and board. Compared with CNU we charge in state students less and out of state students more. But CNU almost entirely has in state students. They charge in state students \$1,500 more than we do. But they have nicer facilities than we do so we cannot charge students as much as CNU until our facilities improve.

This year there will be a new plan for renovating the dorms. Right now only half are air conditioned. This will cost \$7-10 million that will need to come out of student fees. This year we took Marshall of line so it can get air conditioning. Mason and Randolph cost \$40 million to renovate.

We are going to have to increase our debt capacity so that we can do some of these renovations. We are on hold for Jepson because the state has had to slow down its debt capacity.

We have not located a donor who is willing to donate the money needed to build a dorm. The idea would be to build a dormitory somewhere and then take another dorm offline and maybe the state can pay to gut it and turn it into an academic building.

Timeline for Tuition and Fee rates:

Forum for students November 2015-March 2016

January and April – take scenarios to board

May meeting is when tuition and fees are set

The state revenue situation is unclear. Although there was a big budget surplus they are not open for new budget requests.

What we did request from the General Assembly for 2016-2018:

- 1) Increase salaries for faculty and staff. Salary increase of 4.24% each year for faculty and 3% each year for administrative faculty.
- 2) Sexual Assault Prevention Program. Faculty, staff, facilities
- 3) Promote areas of distinction (e.g., BSN, COE five year program, partnerships with DC and Richmond, faculty student research projects).
- 4) Optimize Student Success. This money would support to Career and Professional Development program and support underrepresented populations.
- 5) Operation and Maintenance Costs. Woodard, Mercer and Seacobeck

We may get money for all of these things or none of these things or a small amount of money to split among these priorities. We hope they give us a sentimental allocation since Hurley is retiring.

We also asked for additional money for technology. We are asking for an additional \$4-5 million.

Capital Outlay Plan:

- 1) Jepson
- 2) Seacobeck
- 3) Physical Plant
- 4) Parking Deck

After 2018 other areas up for renovation include Simpson, a new performing arts facility, the Melcher's museum, a card access system, utilities.

After 2020 other priorities include renovating Dupont/Melchers/Pollard, GW, Goolrick, other residence renovations, additional construction for Dahlgren.

Other discussion included ways to increase our areas of distinction to improve recruitment and retention including our GIS program.

Meeting adjourned: 5:25pm