

University Budget Advisory Committee

Minutes – 11/26/2019 meeting

- Voting members present: Nabil Al-Tikriti (Chair, At-large)
Stephen Davies (Secretary, At-large)
Brooke Di Lauro (At-large)
Chris Garcia (COB)
Suzanne Sumner (At-large)
Abbie Tomba (CAS)
- Non-voting members present: Dana Hall (Athletics, Health & Physical Education)
Christy Pack (Staff Advisory Council President)
- Voting members absent: Kyle Schultz (COE)
- Non-voting members absent: Representative from the Student Government Association
- Guests: Paul Messplay (VP Administration & Finance)

Summary of discussion:

1. The meeting was devoted to a presentation by Mr. Messplay of an overview of the university's budget situation. Before this began, Dr. Al-Tikriti mentioned that Mr. Messplay's expertise and counsel was likely to be invaluable throughout the year, and that he was very welcome to attend *all* future committee meetings. It was acknowledged that this would entail considerable time commitment, and Mr. Messplay proposed that instead we forward him questions any time we had them, and that he could return to future meetings on a case-by-case basis.
2. The slides containing the bulk of Mr. Messplay's presentation will be posted on the UFC website alongside the minutes from this meeting. The last few slides in the presentation contained some provisional budget strategies that the administration feels are too early for broad dissemination, and hence will be absent from the UFC website. (A few of these strategies are discussed generally in 2j, below.)

The following highlights from the presentation stood out to the committee secretary:

- (a) Mr. Messplay noted that we do an "incremental budget" at UMW, meaning that the previous year's budget is used as a baseline for the new year's, with incremental amounts added or subtracted.
- (b) The administration had foreseen, and were taking steps to react to, a decrease in tuition revenue this year, even before the incoming freshman class dwindled further over the summer. The exceptionally small size of the incoming class is partially due to "the VA Tech effect." (VA Tech chose to admit close to a thousand additional freshmen late in the application process, which led to a cascading effect throughout the state.)
- (c) Now that UMW Bookstore sales have been outsourced to Barnes & Noble, the Bookstore no longer appears on either the revenue or spending sides of the UMW budget. As a matter of interest, our bookstore was generating a profit for us as recently as six years ago, but it's been declining since then and during the past couple of years was operating at a loss. No one knows for sure why the bookstore began to hemorrhage money, though a few anecdotal guesses were offered.
- (d) We were required to cut our budget substantially this year, and Mr. Messplay pointed out that the institutional/administrative side took most of these cuts (a 9.2% decrease for those

line items).

- (e) After suggesting to SCHEV a new approach to determining financial aid allocations, Dr. Paino seems to be happy with the changes they have made. Smaller schools like us have been at a significant disadvantage with the former way of calculating this.
 - (f) One enormous increase in UMW's spending over the past decade has been in institutional awards for financial aid. In 2007-2008, our total expenditures in this area were about \$600,000; by 2014-2015, that had grown to just under \$2 million; now, a \$2.1 million increase this year brings that total to \$9.6 million annually. This increase mimics that of many of our competing institutions, and is due in part to the troubling demographic trends that are leading to fewer college entrants overall. Ms. Hall observed that this increase in institutional financial aid was also an attempt to compete specifically for out-of-state students.
 - (g) Another budgetary challenge facing us is our large recent increase in Pell-eligible students relative to other schools. This is good news, of course, in that we are serving a greater number of economically underprivileged students, but it does come at a financial cost for the institution.
 - (h) Mr. Messplay drew attention to how the administration has recently re-organized some budgetary line items to more accurately reflect which revenue sources are funding which expenses. For example, the amount we currently charge students for room & board is such that that category generates a profit; this is being changed so that more of each students' payment goes to the "auxiliary fee," with the goal of the "room & board" category breaking even.
 - (i) Regarding student housing, Ms. Hall asked whether UMW is looking at introducing apartment-style dorms on campus like some of our peer institutions are. Mr. Messplay answered that while we would theoretically like to do that, in reality we're small enough that there's not a big enough financial win for private firms that operate housing on college and university campuses. Another obstacle is the amount of debt UMW and the Foundation hold for our housing properties, which must be included in any kind of financial analysis the private companies look at.
 - (j) Finally, Mr. Messplay shared with the committee some preliminary budget priorities that are being considered for the coming year. Some of these include:
 - A permanent marketing budget (starting at perhaps \$500k annually) which UMW currently does not have.
 - A "student success plan" (at a possible annual price tag of \$250k) aimed at improving retention of specific sub-populations (sophomores, first-generation students, transfer students, commuters, and Tier 1 students), enhancing support for career readiness, enhancing marketing, and increasing freshmen yield, among other goals.
 - A one-time \$200k towards a new market study of faculty salaries, since our most recent study is now seven years old. Several committee members voiced reservations about spending so much money on this last item – aren't there publicly-available benchmarks (*e.g.*, from the *Chronicle of Higher Education*) that we could use for free?
3. In other news, Mr. Messplay informed the committee that UMW has gotten money from the state so we can go ahead with Seacobeck renovation in January as originally planned.

4. Operationally, Ms. Hall reminded Mr. Messplay that in the past, his office had provided the committee with a spreadsheet in which we could frame our prioritizations. Ms. Hall felt this was easier and less error-prone than us hand-assembling our own matrix from the presentations, and requested this procedure be followed. Mr. Messplay said the bare bones of that spreadsheet still existed, and thought it was reasonable to provide this to us again.
5. Dr. Al-Tikriti expressed that our committee could be more effective if we provided input *after* the VPs' initial longer lists had been narrowed down to their top five or so prioritized areas, with dollar amounts. Mr. Messplay agreed.
6. We slightly re-arranged our upcoming scheduled presentations from other UMW offices as follows:
 - (a) UMW Foundation (Jeff Rountree and Greg Branner), scheduled for Thursday Dec. 5th at 4pm in UCC 323.
 - (b) Enrollment Management (Kimberley Buster-Williams), to be scheduled for mid-January. This includes:
 - Admissions & Financial Aid
 - (c) Provost Nina Mikhalevsky, Associate Provosts John Morello and Tim O'Donnell, and (at Dr. Mikhalevsky's discretion) one or more of the college Deans. This will be scheduled for late January. One of the items the committee would particularly like to discuss at this meeting is the budget aspect of the aforementioned "Student Success Plan."
 - (d) Student Affairs (Juliette Landphair), which includes:

<ul style="list-style-type: none"> • Residence Life • Athletics • Campus Recreation • SGA 	<ul style="list-style-type: none"> • SAE • University Police • Multicultural Affairs • Health Center and Talley Center
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 - (e) Advancement & University Relations (Lisa Bowling), rescheduled until after spring break (at which point preliminary reports from Mindpower Inc. on university branding should be available). This includes:
 - Marketing & Publicity
 - Alumni Relations
 - (f) Facilities (Paul Messplay), to be scheduled last in the sequence.
7. Mr. Messplay will present the committee with the "short" priority list immediately after spring break, in the form of the aforementioned spreadsheet. Late March or early April will be the time frame for the committee to issue our report with budget suggestions.

Action items:

- Send vetted Power Point slides from today's presentation to Dr. Al-Tikriti for publication on UFC website. (Messplay)
- Contact Melissa Jones (Associate Dean for Student Involvement) about inviting SGA to send a student representative to future meetings. (Al-Tikriti)
- Schedule representatives on the revised list (above) for January through March. (Al-Tikriti)
- Broach the idea of permitting consecutive terms of service on the UBAC with the UFC (and UFOC). (Rao)