

# University Budget Advisory Committee

## Minutes – 3/30/2020 meeting

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

This meeting took place electronically (via Zoom) because of Covid-related restrictions. Summary of discussion:

1. Dr. Paino began by giving the committee an update and perspective from the administration:
  - (a) The Covid-19 crisis is of course an unprecedented experience for all of us, and we're all trying to figure it out as we go along. UMW's long-standing problems of liquidity and long-term debt (amassed by both the university and the Foundation during 2007-2014) have made it very difficult to respond in times of a crisis like this: our options are sharply limited.
  - (b) Happily, most of a Higher Ed institution's revenue comes in at the start of the semester. However, due to our choice to issue refunds to our students for Residential Hall fees and meal plans (which is the right thing to do, and which is also in line with most or all VA public institutions) we have a gaping hole in our budget this year which nothing can really fix. We also have no significant reserves to speak of. All told, the Covid crisis will result in at least a \$4 million unexpected hit to our revenue, which goes to auxiliary operations.
  - (c) Regarding federal funding: one item of good news is that a Federal Relief Bill was recently passed, and we're expecting some resources to help with students who have experienced a loss as a result. In all, \$14 billion is going from the DOE to various Higher Ed institutions across the country. They're using a pretty straightforward FTE/student model, with greater weight to Pell recipients. We'll hopefully get at least our \$4 million shortfall from this; otherwise, we'll have to find resources through unspent balance at end of year.
  - (d) Regarding state funding: it was a great legislative session for us in terms of getting funding for a variety of things. However, Governor Northam says no increase in funding is expected for next year, in light of Covid. So we're working on the assumption of flat funding for 2020-2021. (No decreases announced so far, luckily.) Even if we stay flat on occupancy, this lack of increase will still make a hole in next year's budget.

One particularly painful reality is that because we didn't raise tuition last year, we qualified for state aid equal to a 10% tuition increase...but now that aid appears to have evaporated.

- (e) The university is currently committed to keeping everyone employed and paid. (Some people who can't really work from home, like housekeeping staff, are spending their time on professional development opportunities.)
- (f) Governor Northam recently extended the stay-at-home order until at least June 10th, which we will comply with.
- (g) The greatest uncertainty we face is what impact the Covid crisis will have on our enrollment? A recent survey suggests that perhaps 1 in 6 families will change plans about what to do for fall semester: either an incoming student will enroll in a different institution than originally planned, or not enroll at all. We're currently saying to our admitted students "we'll work with you if you can't get us the deposit on time" rather than making a blanket announcement to push back the deposit deadline to June 1.
- (h) In light of Covid, the administration will need to "run more scenarios" to determine appropriate levels for tuition and fees.
- (i) Summer orientation is up in the air right now.
- (j) Moving forward as an institution, we need to consider what our top priorities are. Dr. Paino is asking his cabinet members to come up with three estimates (worst case, average case, best case) for how this will impact each of their areas.
- (k) The presidents of VA public universities are meeting weekly by phone, and approaching the situation with a lot of humility.
- (l) Dr. Paino suggested that the committee have a separate meeting with Dr. Mikhalevsky (University Provost) at some point in the near future, about what changes will need to be made to the academic side of the institution. Dr. Rao said he would also coordinate with Dr. Mikhalevsky about participating in the upcoming open faculty forum.
- (m) Dr. Paino finished his update by observing that the Higher Ed marketplace is going to change as a result of Covid, one way or the other. Two bits of bright news for us on that score is that we're public, and that our location is in a growing and well-populated area. (Some students might be wanting to attend college closer to home as a result of the crisis.) We need to find a way to leverage this. On a note of optimism, both Dr. Paino and Dr. Mikhalevsky believe we *could* come out of this Covid crisis stronger than ever, since the experience is teaching students and their families about the importance of being face-to-face on a residential campus.

2. Dr. Paino then took questions about all university budget-related matters.

- (a) Dr. Rao thanked Dr. Paino and the administration for their leadership and transparency during the Covid crisis. This sentiment was echoed by many members of the committee.

- (b) Dr. Davies asked for an update on the current thinking on fall 2020 semester: will it have to be online? Dr. Paino says he holds out hope that we will be back on campus in the fall, but noted that there are ongoing discussion among the public VA Higher Ed presidents on this very issue. The only agenda item on next Monday's conference call with the presidents, in fact, is discussing criteria for whether or not to put fall semester online. (Not all VA public institutions will necessarily make the same decision on that, Dr. Paino notes, but the collegiality among presidents is strong and they will at the very least strongly consider one another's decisions.)
- (c) Dr. Al-Tikriti asked about enrollment numbers for next year? Dr. Paino said that deposits have slowed down. Three weeks ago we were right on our target, with even an uptick in out-of-state deposits. However, Dr. Buster-Williams (VP Enrollment Management) now says she projects enrollment numbers in the 800-900 range, rather than the 900-925 we were on track for. Dr. Paino added that the administration is enthusiastically open to ideas from the faculty about ways to improve our yield for next year? One idea is for faculty to think about virtual connections to prospective students.
- (d) Dr. Sumner asked about Giving Day, which has been postponed. Is it wise to resurrect it, to try for a cash infusion? Dr. Paino said there will be a time for that eventually, but that currently there's so much uncertainty and anxiety among potential givers that it might sound "tone deaf" to solicit donations just yet. Once the situation stabilizes, we will want to pivot to do that pretty quickly.
- (e) Dr. Al-Tikriti asked Dr. Paino's assessment of how well the university has responded to the crisis, while offering that in his view it has been positive. Dr. Paino agreed, and mentioned how impressed he has been with the faculty and staff. He also told the committee that the feedback from parents has been overwhelmingly positive, especially from those who have dependents at multiple VA state institutions: anecdotally we appear to be handling the situation somewhat better than other state schools are.
- (f) Dr. Al-Tikriti noted that some faculty felt sideswiped by the cancellation of sabbaticals/fellowships. Dr. Paino took that feedback and said he would pass it along to appropriate parties.
- (g) Dr. Sumner asked what useful functions UBAC could perform during the crisis to give recommendations to the administration. Mr. Messplay replied that in general, we have to tighten our belts and generate savings as much as we can. Thinking creatively about cutting costs is absolutely welcome. We're looking at a much larger challenge than merely cutting operating budgets by a sliver across the board. Dr. Paino reiterated that faculty need to think about what is *essential* for the university to fulfill its mission.
- (h) Ms. Hall asked what the Athletic Department could do to help with enrollment, especially out-of-state enrollments. Should they expand rosters to attract students, while simultaneously instituting a mechanism whereby athletes have to earn the right to travel with the team? Without necessarily endorsing this particular strategy, Dr. Paino affirmed that thinking in those sorts of creative ways is exactly what the Athletic Department, and all departments, should be doing right now. (He also observed that "ethical standards" regarding student recruitment have been relaxed

across the country due to the 12/12/2019 Department of Justice lawsuit requiring the elimination of anticompetitive recruiting constraints. It's now "open season" on recruiting students.)

- (i) Ms. Pack asked whether it was possible to offer more single rooms to students in the fall, in light of social distancing recommendations. Dr. Paino replied that yes, we probably will have some capacity to do that, although students will have to pay extra cost for it and it's not clear yet how many singles we could accommodate.
  - (j) Dr. Sumner asked about the status of building projects across campus. Dr. Paino said that neither the Virginia Hall nor Seacobeck Hall renovations have been slowed down yet. He is hopeful that won't change. Governor Northam hasn't indicated (at least to this point) that capital budgets will be affected by the crisis.
3. Finally, Dr. Al-Tikriti said that the committee's next step (after approving these minutes) should be to have another meeting in a week or two (with Mr. Messplay in attendance) to brainstorm ideas and strategies for all of the above.