

University Budget Advisory Committee

Minutes – 9/3/2020 meeting

Voting members present: Nabil Al-Tikriti (Chair, At-large)
Stephen Davies (Secretary, At-large)
Laura Bylenok (At-large)
Chris Garcia (COB)
Liane Houghtalin (CAS)
Kyle Schultz (COE)
Suzanne Sumner (At-large)

Non-voting members present: Michelle Pickham (Staff Advisory Council President)

Non-voting members absent: Patrick Catullo (Athletic Director)

Guests: Andrew Dolby (UFC chair)

Paul Messplay (VP Administration & Finance)

Summary of discussion:

1. The meeting was devoted to an update from Mr. Messplay about the current UMW budget situation. Mr. Messplay stressed that there is a great deal of uncertainty, and that circumstances are changing every day, so we should keep that in mind when interpreting the analysis of any particular moment in time.
2. The depth and swiftness of JMU's failure to control the virus at their school should give us all pause as we return to campus. The importance of strict adherence to the safety protocol cannot be overstated.
3. UMW prepared our budget for this year in May/June. Students had already been sent home for the semester, of course, so that budget had already taken into account lost revenue for spring meal plans and housing. Also already factored in to the original budget were salary reductions and furloughs, which saved the university about \$1.5-1.7 million. Here are some details about this year's budget:
 - (a) We had to make some predictions in May/June about what was likely to happen in coming months, some of which turned out to be inaccurate (as is true of many predictions).
 - (b) One inaccurate prediction was a 10% housing decline for fall semester; this turned out to be at least a 24% decline. That number is as of Sept. 3rd; students are continuing to petition to get out of housing contracts, with a Sept. 11th deadline. The budget impact of this is a shortfall of \$806,000 as of today, which will rise as more contracts are broken.
 - (c) On the plus side, another inaccurate prediction was a projected 5% cut (\$1.5 million) in state funding for the upcoming AY. The state's "rainy day fund" worked out well, and so this shortfall happily won't be imposed. (The state legislature is currently in a special session called by the Governor to discuss (primarily) Covid-related matters. This one doesn't have an end date.)
 - (d) Another inaccurate forecast that works out in our favor is enrollment levels: they are actually higher than what we anticipated. This results in \$1.6 million on the plus side of the ledger.
 - (e) The changes to the fall 2020 academic calendar (first three weeks virtual; no return after Thanksgiving) entail refunds to students of about 34% of housing and meal plans. This

amounts to a shortfall of about \$2.8 million (about half each from housing and meals) for fall semester. Obviously, if we need to move some or all of the spring 2020 semester online as well, we would face a similar shortfall at that point.

- (f) Revenue from vending, parking, and other items will also be down this semester; this amounts to another \$250,000 shortfall.
 - (g) We also face increased Covid-related expenses for PPE, new technology needs, signage, and random testing (we will perform 100 random tests every Tuesday and Thursday). This adds up to about \$1.4 million in additional expenses.
 - (h) Summary: in all, this adds up to a **bottom-line budget shortfall of about \$2.6 million**. All things considered, this is actually not a devastating number. It is one the university can creatively find ways to address. The current hiring freeze on staff is helping, since about 75% of our budget is payroll-related. (Note: this hiring freeze does not apply to faculty; those decisions are up to the Provost's office.) If we watch our expenses, maintain the hiring freeze, and use reserve funds, we should be okay for the near term.
4. UMW has a capacity of 100 quarantine beds. If these fill up, the action we'll take will depend on when in the semester it happens.
 5. Ms. Pickham stated that some staff may push back on the random testing plan, on the grounds of invasion of privacy.
 6. Dr. Bylenok inquired as to whether UMW will conduct contact tracing. Mr. Messplay said no, that is the purview of the VA Department of Health.
 7. Dr. Schultz wondered if there was any way to incentivize faculty teaching in person? The answer appears to be mostly "no," although Dr. Al-Tikriti mentioned that face-to-face courses will probably have lower capacities, which could be an incentive of sorts.
 8. Mr. Messplay stated that we can't expect to know many details about spring enrollment levels until December.
 9. Finally, Mr. Messplay answered one non-Covid-related item: contrary to rumor, UMW is *not* currently being sued for police action in June related to the Fredericksburg protests.

Next steps:

The committee will continue inviting university administrators to present their divisions' status and plans to us, beginning in October. At this time we have not yet settled on a schedule of invited speakers.