

University Budget Advisory Committee

Minutes – 9/20/2021 Meeting

At-large faculty members present:	Nabil Al-Tikriti (Professor, CAS) Laura Bylenok (Assistant, CAS) – Secretary Randall Helmstutler (Associate, CAS) Suzanne Sumner (Professor, CAS)
College representative members present:	Chris Garcia (Associate, COB) Liane Houghtalin (Professor, CAS) – Chair
USC representative members present:	Arin Doerfler (Sr. Accountant-Fixed Assets) Kim McManus-Carini (Operations and Finance Coordinator)
Athletics representative member present:	Patrick Catullo (Director of Athletics)
College representative member absent:	Kyle Schultz (Associate, COE)
USC representative member absent:	Marta Smith (Asst. Controller-Compliance)
SGA representative member absent:	Student Rep (TBD)
Guests:	Paul Messplay (VP Administration and Finance)

The meeting was called to order at 2:00pm. Summary of discussion:

1. The meeting was dedicated to updates from Mr. Messplay about the budget. Dr. Houghtalin began the meeting by requesting an overview of what's happening in terms of the overall budget.
2. Mr. Messplay started with key data from the last two years, going back to the start of the pandemic and the switch to remote instruction in March 2020, since that was the start of the impact of the pandemic on our budget.
 - a. In Spring 2020, when we sent students off campus, we did refunds for housing, dining, parking when students went home, which carried a \$2.8 million cost. In Fall 2021, when we started on campus late and had an early finish, we adjusted student bills to reflect the reduced days on campus, which meant \$2.6 million in reduced billing. In Spring 2021, when there were also fewer days on campus than typical, we adjusted student bills again, which meant \$1.3 million in reduced billing. Over the three semesters, there was a total cost of \$6.8 million in reduced billing.
 - b. We received federal emergency relief funds from HEERF in the amount of \$8.4 million, which covered the \$6.8 million, with an unspent balance of \$1.6 million. The remaining funds are dedicated to testing and additional expenses related to COVID.
 - c. All remaining HEERF funds must be used by May 23, 2022.
3. Dr. Houghtalin noted that there doesn't appear to be any problem in terms of the overall budget, and she asked whether there are factors not yet accounted for in the data, such as expenses we had to continue to pay while students were not on campus. Mr. Messplay said that the expenses tied to revenue lost because of the pandemic were able to be reimbursed by the HEERF funds. Mr. Messplay noted that the University ended last year in a fairly good financial situation. In addition to receiving the HEERF relief funds, the University took several other measures:

- a. We renegotiated our contract with Sodexo to a different model that saved us approximately \$2 million.
 - b. We saved on utility bills.
 - c. We saved on travel and meals reimbursement (which is usually a big expense).
 - d. The requirement of cabinet approval ensured that all expenses were thoroughly considered, and it resulted in fewer expense requests overall.
4. Dr. Sumner asked whether the Sodexo contract changes will carry over to coming years. Mr. Messplay explained that the savings were temporary and that starting in September 2021 we have gone back to the old model for the contract. A short discussion followed on the flexibility and willingness to negotiate and work together shown by Sodexo during the pandemic. Mr. Messplay noted that when we re-negotiated the contract, we didn't know that we were going to get federal relief funds, and we didn't know how we were going to pay the bills.
5. There were several questions about the HEERF funds.
 - a. Dr. Al-Tikriti asked a question about the federal HEERF funds that expire in May of 2022, regarding what is possible to allocate to that and what is not, and whether some current needs such as faculty expense cuts could be filled from those funds. Mr. Messplay answered that we can no longer use those funds to backfill expenses or revenue losses, and that we can only use those funds for expenses directly related to the pandemic.
 - b. Ms. Doerfler asked whether the third and most recent round of HEERF funds will be the last one, and Mr. Messplay answered that although there had been some talk about the possibility of another round, that is currently unlikely and that this will probably be the final round of funding.
6. Mr. Messplay presented data on federal funds for student financial aid.
 - a. For the 2020-2021 year, we received \$2.4 million in federal funds, which was distributed to 2,600 students. Funds were distributed on a need basis, using the FAFSA to determine the need levels, and Pell eligible students received extra money. There was also the opportunity for students to make an application if there were specific needs related to the pandemic (such as laptop, wifi, etc.) and we made those awards based on professional judgment by financial aid office.
 - b. For 2021-2022, we have close to \$4 million in federal funds that will be awarded. Those funds must be awarded this year.
 - c. There is some concern that students who will receive the additional aid this year to attend will be in a difficult position if they don't receive that aid again the following year. The University has requested additional support from the Commonwealth to help phase the funds out, to avoid the impact of the extreme drop-off of financial aid for those students.
7. Dr. Al-Tikriti noted that we have an increased financial aid for a reduced student body, and he asked whether there is any way to make those funds permanent. Mr. Messplay said that the additional federal aid will not be permanent; however, there's a program for Virginia

students to receive additional funds from the Commonwealth, and those changes are permanent.

8. A brief discussion followed on the impact of those funds and the question of why more students did not enroll to take advantage of the funding. Dr. Houghtalin noted we can't recruit students based on increased aid offers if the aid is only temporary. Mr. Messplay noted that financial aid is still often not enough to get students to be able to afford. Dr. Bylenok noted that other institutions in the state were offering similar financial aid this year. Dr. Houghtalin noted that while schools with high name recognition received more applications, that our applications had gone down. Mr. Catullo noted that there has been an ongoing trend that we lose some students as they are accepted off the wait list at other institutions.
9. Mr. Messplay gave a snapshot of student billings. September 10 was the last day for students to drop without a W, and because that date has passed, revenue numbers should remain stable.
 - a. For in-state tuition, numbers were lower than we anticipated by \$903,099.
 - b. For out-of-state tuition, numbers were higher than anticipated by \$189,246.
 - c. For graduate tuition, numbers were overall higher than anticipated by \$164,971.
 - d. Housing and dining revenues were also higher than anticipated.
 - e. Added up, for the Fall 2021, we're \$215,213 above budget.
10. Mr. Messplay gave an overview of enrollment numbers. It's surprising and troubling that we had higher enrollment last year than this year.
 - a. Enrollment in 2021: 650
 - b. Enrollment in 2020: 776
 - c. Enrollment in 2019: 895
11. There was a discussion about international enrollment. Mr. Messplay reported that international student enrollment is up, which was driven by the addition of a significant number of international student athletes in rugby. Mr. Catullo mentioned that this was because admissions outsourced to a company to recruit international students, and they found a natural fit with rugby here in the state. This could provide a good pipeline in terms of admissions, however we may need to increase support of those students. Dr. Al-Tikriti asked whether there could be a push to further increase international enrollment, and Mr. Messplay replied that while ideas continue to circulate, there is no plan for a coordinated push in that direction.
12. Dr. Al-Tikriti asked whether the increased revenues from student housing and dining could be a result of cost or other factors. Mr. Messplay stated that while we didn't reduce rates, we had no increase in dining costs for students, and only a 2% increase in housing cost.
13. Discussion continued on the issue of enrollment.
 - a. Mr. Messplay noted that the current budget was made during a time of uncertainty and with conservative judgment, but that we didn't anticipate the drop in enrollments. Dr. Houghtalin noted that we should continue to consider better recruitment in general.

- b. Dr. Houghtalin asked how faculty expenses can be sustained by such small enrollment numbers. Mr. Messplay noted that while we may be in good shape this year, that the impact of the smaller freshman class will be felt over four years, which is not a sustainable model with our current budget.
 - c. Dr. Al-Tikriti brought up the increase in transfer students and that majors are being adjusted to accommodate transfer classes. Especially in consideration that the Biden administration would like to make two-year colleges free, there is a need to make the four-year model sustainable. Mr. Messplay noted that we do have more commuter and transfer students, which affects housing and dining.
 - d. Dr. Houghtalin underscored our need to enhance recruitment, and the importance of achieving name recognition as a university. Mr. Messplay noted that President Paino has made recruitment and retention a top priority this year.
14. Mr. Messplay brought up a final topic of the list of state budget requests, which includes eleven unique requests. UBAC needs to be aware of these priorities, although many of them are in the provost's area. The committee should consider the list and plan to discuss relevant items with Dr. O'Donnell when we meet with him later in the semester. The University of Mary Washington 2022-24 State Budget Requests, which are pending approval by the Secretary of Education, are as follows, listed in order of priority:

- a. **Continue Funding for Unavoidable Cost Increases.** In the 2021 Special Session of the General Assembly, UMW was allocated \$739,200 from a \$40 million one-time funding pool to support unavoidable cost increases in the 2021-22 budget. However, these funds have been fully allocated and are very much needed to continue to support ongoing operational expenses. If this important funding support is not continued, UMW will have to increase tuition to cover the revenue loss.

Requested General Funds: \$739,200

- b. **Enhance UMW's Office of Diversity, Equity and Inclusion.** To meet its obligations under ONE Virginia, UMW will need to address a number of critical needs, including securing personnel to support the successful implementation of the inclusive excellence framework and the resources to provide the education, training, programming, and assessment necessary to move the University forward.

Requested General Funds: \$580,000

- c. **Support Students and Employees with Disabilities.** 11% of UMW students are registered with the Office of Disability Resources (twice the number at most other public institutions in Virginia) and several classroom buildings and staff office spaces have not been renovated in two decades or more. This initiative will provide much needed support to students and staff with disabilities.

Requested General Funds: \$480,000

- d. **Increase Retention for Selected Student Populations.** This initiative will provide additional academic support in the form of tutoring, learning resources, and more intensive academic advising to student groups that retain at lower rates (transfers, commuters, first-generation, Pell-eligible).

Requested General Funds: \$210,000

- e. **Provide Funding to Support Faculty and Staff Diversity.** The provision of effective instruction and the realization of equity goals requires UMW to recruit, retain and reward an effective and diverse workforce. To do this, UMW is planning to conduct equity and market studies for both faculty and staff. Once complete, the University will need to be in a position to respond to the results, make competitive offers, and address inequities, as well as accumulated salary compression and inversion.

Requested General Funds: \$75,000 each year for the next six-years

- f. **Develop and Implement a Life-Design Curriculum.** Working through its Center for Career and Professional Development, UMW intends to expand support for students in developing higher order skills, which are responsive to clear emerging needs from a more diverse student population and are essential for completion of the bachelor's degree and necessary for life after college.

Requested General Funds: \$260,000

- g. **Establish an Office of Transfer Student Services.** UMW has been actively supporting transfer students through its involvement with Transfer Virginia while building relationships with community colleges within the University's service area. Significant progress has been made to change policies and remove barriers for transfer students and our academic departments have been building pathways focused on reducing time to completion. To keep pace with this momentum, UMW will need to enhance its programmatic and human resources dedicated to transfer students.

Requested General Funds: \$317,000

- h. **Expand the Development and Use of Open Education Resources.** Textbooks, media and other course materials represent a significant component of cost of attendance for students and too many students forego such purchases, thereby significantly decreasing their likelihood of success. Open educational resources (OER) reduce student costs because they reside in the public domain or have been released under an intellectual property license that permits their free use and repurposing by others. SCHEV's strategic plan and UMW's own policy on OER both call for increased use of these free or low-cost resources, but we need to develop many such materials ourselves.

Requested General Funds: \$50,000

- i. **Refresh Classroom and Campus Information Technology Infrastructure.** The technology in classrooms and instructional spaces on the Fredericksburg and Stafford campuses lacks the capacity to support distance learning in hybrid and flexible modalities (e.g. microphones, secondary screens and cameras) necessary for equal access and full participation. This initiative seeks funding to support further investments in classroom technology and personnel to support flexible instruction and multiple modalities so that UMW is better equipped to support regional economic and workforce needs.

Requested General Funds: \$160,000

- j. **Streamline Information Systems.** UMW's information system architecture patches together several interoperable systems which prevent efficiencies, increase costs, and impede strategic decision making. Some are at the end of their lifecycle. This initiative seeks general fund support to invest in a single enterprise cloud-based system for student information, financial and human capital management, and analytics and reporting.

Requested General Funds: \$4,833,000 for three years for software, licensing, staffing and implementation costs and then \$850,000 in permanent funding for ongoing operating costs beginning in year four.

- k. **Expand Adult Degree Completion and Continuing Education Programs.** Based on census data and a regional market survey conducted by the Division of Continuing and Professional Education, approximately a fifth to a third of residents in counties surrounding Fredericksburg have some college, no degree or an associate degree. Many are working and require course scheduling options that provide flexible paths to degree completion or additional credentials, including on-line and hybrid courses and evening and weekend coursework. In order to support this effort, UMW requires an instructional designer to assist faculty with on-line course development and additional adjunct faculty to support an increase in evening and weekend course offerings.

Requested General Funds: \$190,000

- l. **Enhance Support for the Commonwealth's Museums at UMW.** In a unique arrangement, dating back several decades, UMW is responsible for the administration and stewardship of two Commonwealth owned museum properties (Gari Melchers Home and Studio at Belmont and the James Monroe Museum). Although the University receives a separate budget allocation to support these properties, it has with time proven insufficient to cover the full cost of museum operations and personnel. Currently, UMW provides an annual subsidy of \$85,785 to operate the museums and provides other support including maintenance of aging facilities with considerable deferred maintenance.

Requested General Funds: \$500,000

15. There was brief discussion on some of the above budget requests.

- a. Dr. Houghtalin noted that the state budget requests address and align with many of UBAC's recommendations from Spring 2021.
- b. Dr. Al-Tikriti asked about the high expense to replace Banner, and Mr. Messplay gave an overview and context for the cost, noting that this kind of enterprise system development carries high initial expenses that should go down once it is established. He also noted the new system will be a much better system, and it will be all in the cloud, which will help us with ongoing needs in terms of IT.

16. Discussion transitioned to address committee membership.

- a. There was some confusion regarding the number of staff representatives that were added to the committee this year. UFC has on record that we were to add three staff reps (for a total of four); however, UBAC records indicate that the committee had decided to add two staff reps (for a total of three).

- b. The committee needs to discuss and take action with UFC to ensure that committee membership is accurate and reflects what is indicated in the Handbook. Dr. Houghtalin proposed we plan to address this at our next meeting on September 27. In the meantime, members have time to consider what we should do as a committee.
17. The meeting concluded with a reminder of upcoming UBAC meetings:
- a. September 27, 2021: Discussion of Fall Report to UFC and committee membership.
 - b. October 4, 2021: Meeting with Tim O'Donnell
 - c. October 18, 2021: Meeting with Melissa Yakabouski

The meeting was adjourned at 3:40pm.

Respectfully submitted,

Laura Bylenok

UBAC Secretary