MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING
September 25, 2018

PRESENT: Jai-Qiang He (substitute for Sherri Clark-Deener), Terry Clements, William Dougherty, John Fike, Bob Hicok, Tim Hodge, Liza Morris, Cayce Myers, Quinton Nottingham, Andi Ogier, Robert Sebek, Dwight Shelton, Jeff Earley (substitute for Ken Smith), Michael Sorice, and Bronson Weston.

ABSENT: Maria Balota, Cyril Clarke, Linging Wang, and Susan White.

1. CALL TO ORDER AND WELCOME NEW MEMBERS

Mr. Dwight Shelton, Vice President for Finance and CFO, called the meeting to order. Mr. Shelton introduced himself then asked members to introduce themselves, as it was the first meeting of the 2018-19 fiscal year.

2. APPROVAL OF THE MARCH 15, 2018 MINUTES

Mr. Shelton stated that the March 15, 2018 minutes have been approved and forwarded to the University Council for posting on the web.

3. OVERVIEW AND GENERAL DISCUSSION OF THE ACTIVITIES OF THE COUNCIL

Mr. Shelton gave an overview of the Council’s purpose and noted examples of how input from Council members has been used in the past. Mr. Shelton explained that the committee has taken on several roles since its inception, including working through several rounds of budget reductions, and advising on issues of strategic and financial importance to the university.

4. REVIEW OF UNIVERSITY FINANCIAL STRUCTURE, FINANCIAL TRENDS, AND EXTERNAL OPERATING BUDGET TIMELINE

Mr. Hodge, Associate Vice President for Budget and Financial Planning, presented an overview of the University’s financial structure, operating trends, and state budget timeline. He reviewed the university’s program structure, explaining how the university is split into two agencies (Agency 208 and Agency 229), how each of those agencies are funded, and which programs fall under each. Mr. Hodge also reviewed resources the university receives from the State, tuition & fees, self-generated and private funds, and showed the trend of those resources over the past 10 years. Mr. Hodge also provided an overview of the state budget process and timeline, and explained that the committee would be updated at future meetings as the state budget process unfolded. A PDF of the presentation are attached to these minutes.

5. TOPICS COUNCIL WOULD BE INTERESTED IN DISCUSSING

Mr. Hodge asked the Council members for recommendations of topics they would like to see the Council discuss over the coming months. Several topics where shared, including an update on the University’s Strategic Planning process, update on the PIBB model, resources for Destination Areas and Strategic Growth Areas, the relationship between the University and the Virginia Tech Foundation, auxiliary fees, compensation for graduate assistantships, F&A rates, and administrative efficiency. The Council was encouraged to send any additional topics to Mr. Hodge.

6. No further business was discussed, and the meeting adjourned at 5:00 p.m.
PROGRAM STRUCTURE

VIRGINIA TECH

Capital Projects

University Division (208)

Educational and General Programs
- Instruction
- Research
- Public Service
- Academic Support
- Student Services
- Institutional Support
- Operation & Maintenance of Plant

Student Financial Assistance
- Scholarships
- Fellowships

Auxiliary Enterprises
- Residential Dining
- Parking & Transportation
- Telecommunication
- Student Health
- Recreational Programs
- Intercollegiate Athletics

Sponsored Programs
- Grants
- Contracts

Unique Military Activities
- Corps of Cadets

E&G Programs AES
- Ag & Natural Resources Research

E&G Programs Coop Ext
- Cooperative Extension

Cooperative Extension/ Agriculture Experiment Station Division (229)

Capital Projects

Corporations
<table>
<thead>
<tr>
<th></th>
<th>Out-of-State</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>State</td>
<td>In-State</td>
<td>T&amp;F</td>
<td>Self-Generated</td>
<td>Private</td>
<td>Total</td>
</tr>
<tr>
<td>208 E&amp;G</td>
<td>$164.4</td>
<td>$264.3</td>
<td>$288.1</td>
<td>$45.1</td>
<td>$762.0</td>
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<tr>
<td>229 E&amp;G</td>
<td>72.3</td>
<td></td>
<td>16.5</td>
<td></td>
<td>88.8</td>
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</tr>
<tr>
<td>Student Financial Aid</td>
<td>21.8</td>
<td></td>
<td></td>
<td>8.3</td>
<td>30.1</td>
<td></td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>43.2</td>
<td></td>
<td>22.8</td>
<td>282.4</td>
<td>348.4</td>
<td></td>
</tr>
<tr>
<td>Sponsored Programs</td>
<td>5.4</td>
<td></td>
<td></td>
<td>316.7</td>
<td>322.1</td>
<td></td>
</tr>
<tr>
<td>All Other Programs (UMA)</td>
<td>2.3</td>
<td></td>
<td></td>
<td>5.2</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>Subtotal Public Resources</td>
<td>266.2</td>
<td>307.5</td>
<td>310.9</td>
<td>674.2</td>
<td>1,559.0</td>
<td></td>
</tr>
<tr>
<td>Virginia Tech Foundation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>168.7</td>
<td>168.7</td>
</tr>
<tr>
<td>Other University-Related Entities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>27.3</td>
<td>27.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$266.1</strong></td>
<td><strong>$307.5</strong></td>
<td><strong>$310.9</strong></td>
<td><strong>$674.2</strong></td>
<td><strong>$196.0</strong></td>
<td><strong>$1,755.0</strong></td>
</tr>
<tr>
<td><strong>% of total</strong></td>
<td><strong>15%</strong></td>
<td><strong>18%</strong></td>
<td><strong>18%</strong></td>
<td><strong>38%</strong></td>
<td><strong>11%</strong></td>
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</tbody>
</table>
2018-19 OPERATING BUDGET TREND BY COMPONENT

($ in Millions)

University - E&G
CE/AES - E&G
Auxiliary
Sponsored
SFA
Other
## EXTERNAL OPERATING BUDGET TIMELINE - BIENNium

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>University Develops and Submits Draft Six-Year Plan to State</td>
</tr>
<tr>
<td>August</td>
<td>SCHEV Works on Statewide Issues</td>
</tr>
<tr>
<td>September</td>
<td>University Responds to State Comments on Six-Year Plan</td>
</tr>
<tr>
<td>October</td>
<td>BOV Reviews Final Six-Year Plan</td>
</tr>
<tr>
<td>November</td>
<td>DPB Reviews Agency Submissions</td>
</tr>
<tr>
<td>December</td>
<td>Governor’s Executive Budget Proposal</td>
</tr>
<tr>
<td>January</td>
<td>General Assembly Session</td>
</tr>
<tr>
<td>February</td>
<td>Money Committees Reports</td>
</tr>
<tr>
<td>March</td>
<td>General Assembly Session Closes</td>
</tr>
<tr>
<td>April</td>
<td>Reconvened Session</td>
</tr>
<tr>
<td>May</td>
<td>Appropriation Act</td>
</tr>
<tr>
<td>June/July</td>
<td>New Fiscal Year Begins</td>
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### Six-Year Plan

- **2018**
  - State Budget Development
  - Six-Year Plan Finalization
  - Executive Budget Development

- **2019**
  - General Assembly Session
  - Final Consideration and Approval of Appropriation Act

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**Source:** [University Name]
DISCUSSION