

**MINUTES
BUDGET AND PLANNING COMMITTEE
September 20, 2023**

Present: Tara Brent, Travis Burns, Kristen Cox, Jeff Earley, Amr Hilal, Jim Hillman, Tim Hodge, John McGee, Nancy McGehee, Liza Morris, Derek Mueller, Sean O'Keefe, Rebecca Pauly, Corina Sandu, Sophie Thompsen, and Joseph Wells.

Absent with Notice: Cyril Clarke, Nancy Gruber, Amy Sebring, Randy Wynne

Absent: Mintai Kim, Stephen Kleiber, and Sophie Thompsen

Guests: Brennan Shepard (substitute for Amy Sebring), Chad Proudfoot (substitute for Nancy Gruber) Debbie Greer

1. Announcement of approval and posting of minutes of February 16, 2023

The February 16, 2023 minutes have been approved and forwarded to the University Council for posting on the web.

2. Presentation

Operating Budget Overview:

Tim Hodge, Associate Vice President of Budget and Financial Planning, provided a brief overview of the Council. Mr. Hodge presented an overview of fund accounting, 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 and self-generated, and showed the trend of those resources over time. 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 is attached to these minutes.

Update on 2023 Special Session of the General Assembly:

Tim Hodge also gave an update on the outcomes of the 2023 Special Session of the General Assembly. He reminded the committee that the General Assembly adjourned the regular session on February 25, 2023 passing a 'skinny budget'. On August 25, 2023, conferees announced a comprehensive budget deal and an amended budget was passed during the Special Session which convened on September 6, 2023. Several items that were part of the amended budget included a 2.0% compensation program effective December 10, 2023, \$9.2 million for affordable access, \$1.3 million for student financial aid, \$1.0 million for research at Fralin Biomedical Research Institute, as well as several capital projects including planning for Expansion of the VTCSOM & FBRI and Improve Center Woods Complex. The amended budget also introduced language to establish a joint subcommittee on higher education funding. A PDF of the presentation is attached to these minutes.

3. Other Items

Tim Hodge inquired from Committee members recommendations of topics they would like to discuss over the coming months. There was discussion and several topics were shared.

4. Adjournment

There being no further business, the meeting adjourned at 4:48 p.m.



OPERATING BUDGET

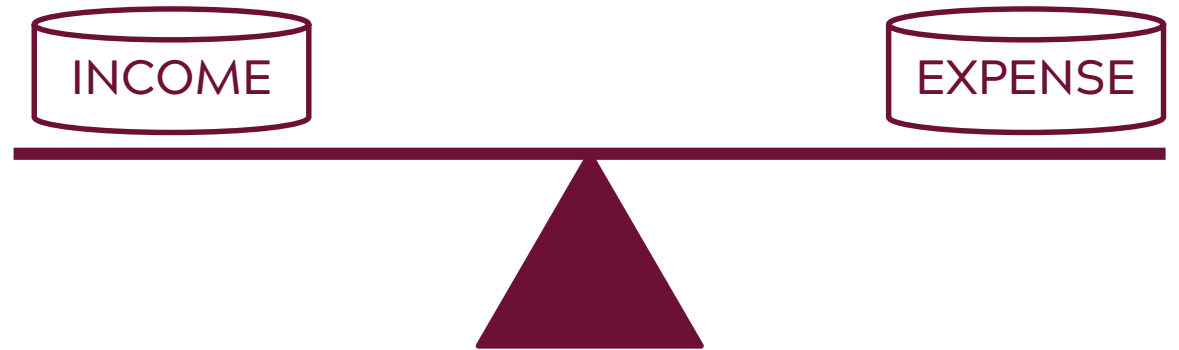
BUDGETING AND PLANNING
COMMITTEE

SEPTEMBER 20, 2023

Money provided to the institution for a certain purpose must be spent for that purpose

Fund accounting is an accounting system for recording resources whose use has been limited by the donor, grant agency, governing authority, or law. It emphasizes accountability and is used by nonprofits and governments.

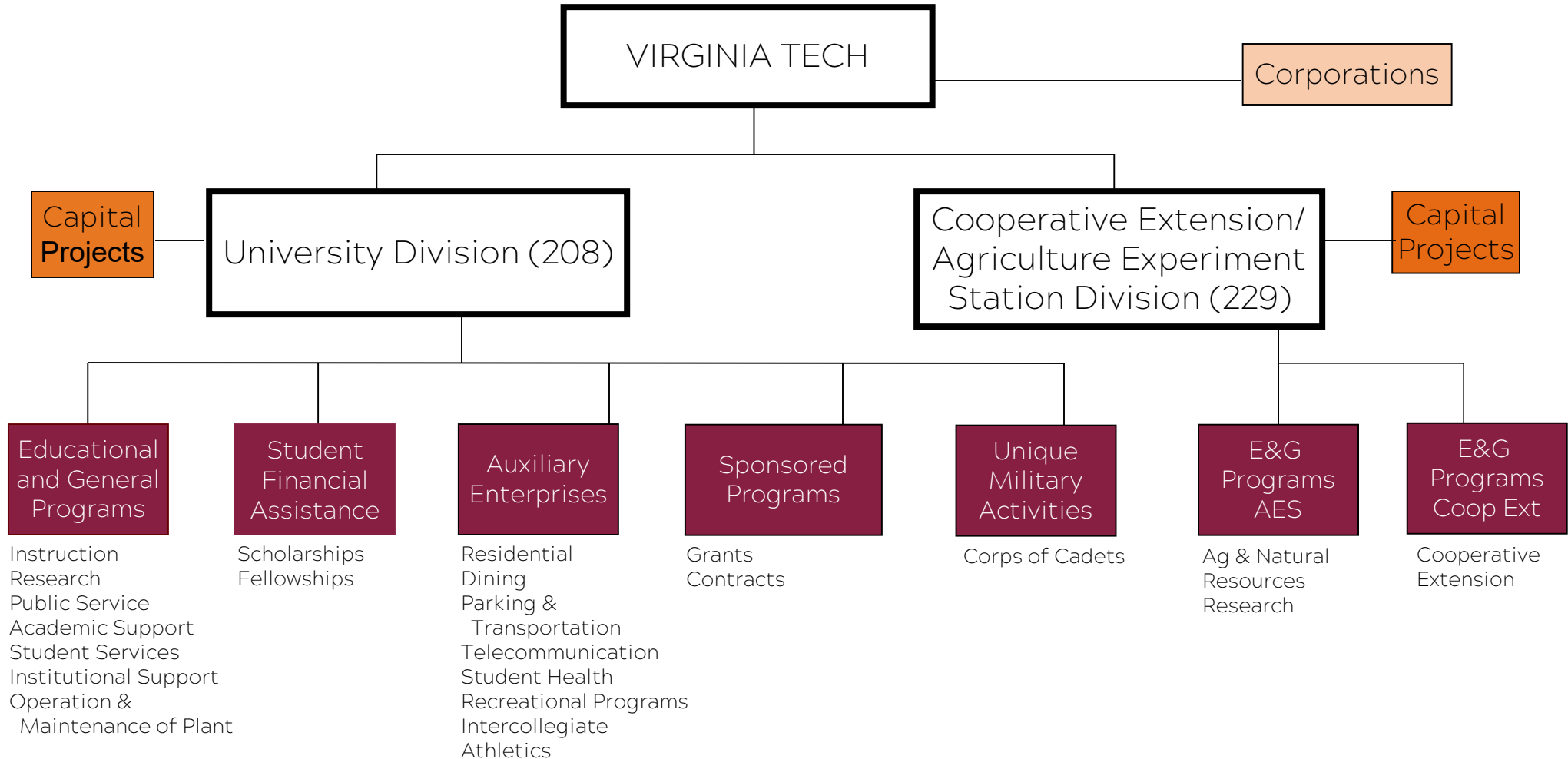
Self-Balancing Funds



VT is comprised of multiple self-balancing funds, such as:

- Agency 208 University Division E&G
- Agency 229 Cooperative Extension
- Agency 229 Ag Experiment Station
- Each Auxiliary Enterprise
- Each sponsored grant
- Each continuing education program
- Each gift (in the VTF)
- Each capital project

Program Structure



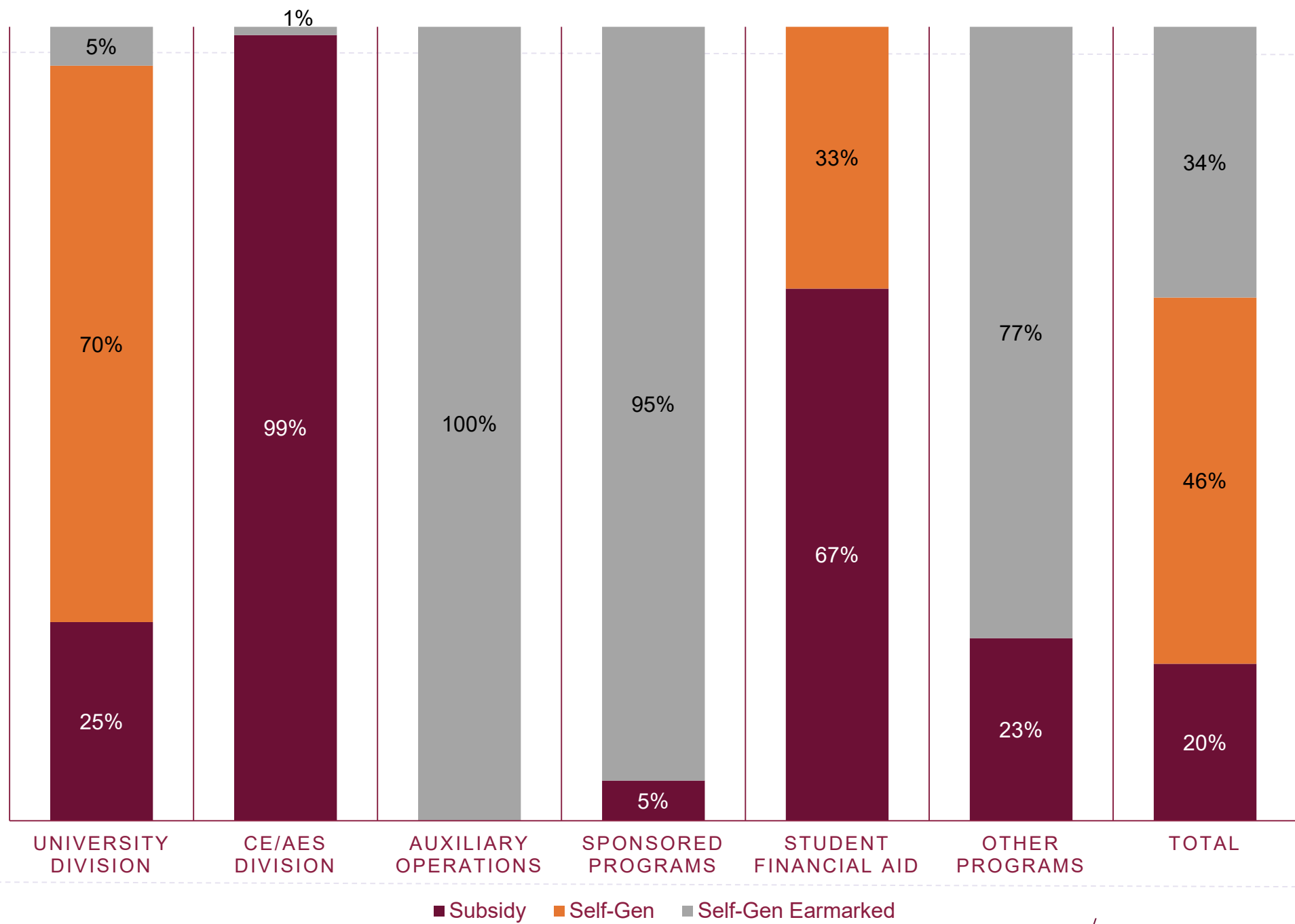
VIRGINIA
TECH'S
MAJOR
FUNDS AND
PROGRAMS
COMPRISE A
\$2B PUBLIC
ENTITY

		PROGRAMS						TOTAL	
		University Division E&G	CE/AES Division E&G	Auxiliary Enterprises	Sponsored Programs	Student Financial Aid	Other Programs		
FUNDS	General Fund	\$251.7	\$89.1		\$19.4	\$33.6	\$3.7	\$397.5	Subsidy
	Tuition & Fees	700.4		235.5		16.6		952.5	Self-Gen
	Federal Funds		15.6					15.6	Subsidy
	Sales & Services	2.5		219.6				222.1	Self-Gen Earmarked
	Grants & Contracts				415.9			415.9	Self-Gen Earmarked
	All Other Income	53.3	1.1				12.5	66.9	Self-Gen Earmarked
Total		\$1,007.9	\$105.8	\$455.1	\$435.3	\$50.2	\$16.2	\$2,070.5	

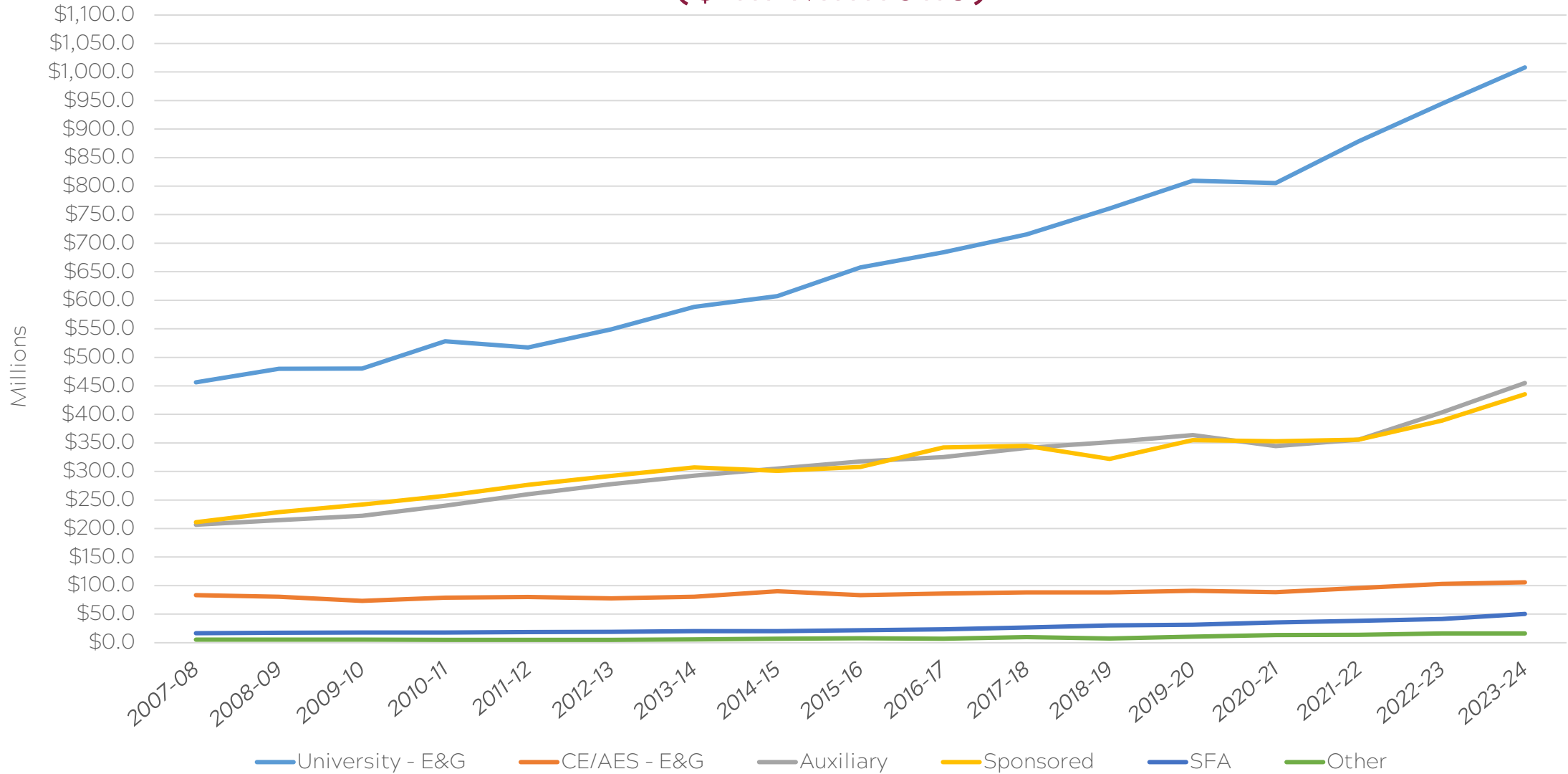
Source: 2023-24 University Authorized Budget Document available at obfp.vt.edu



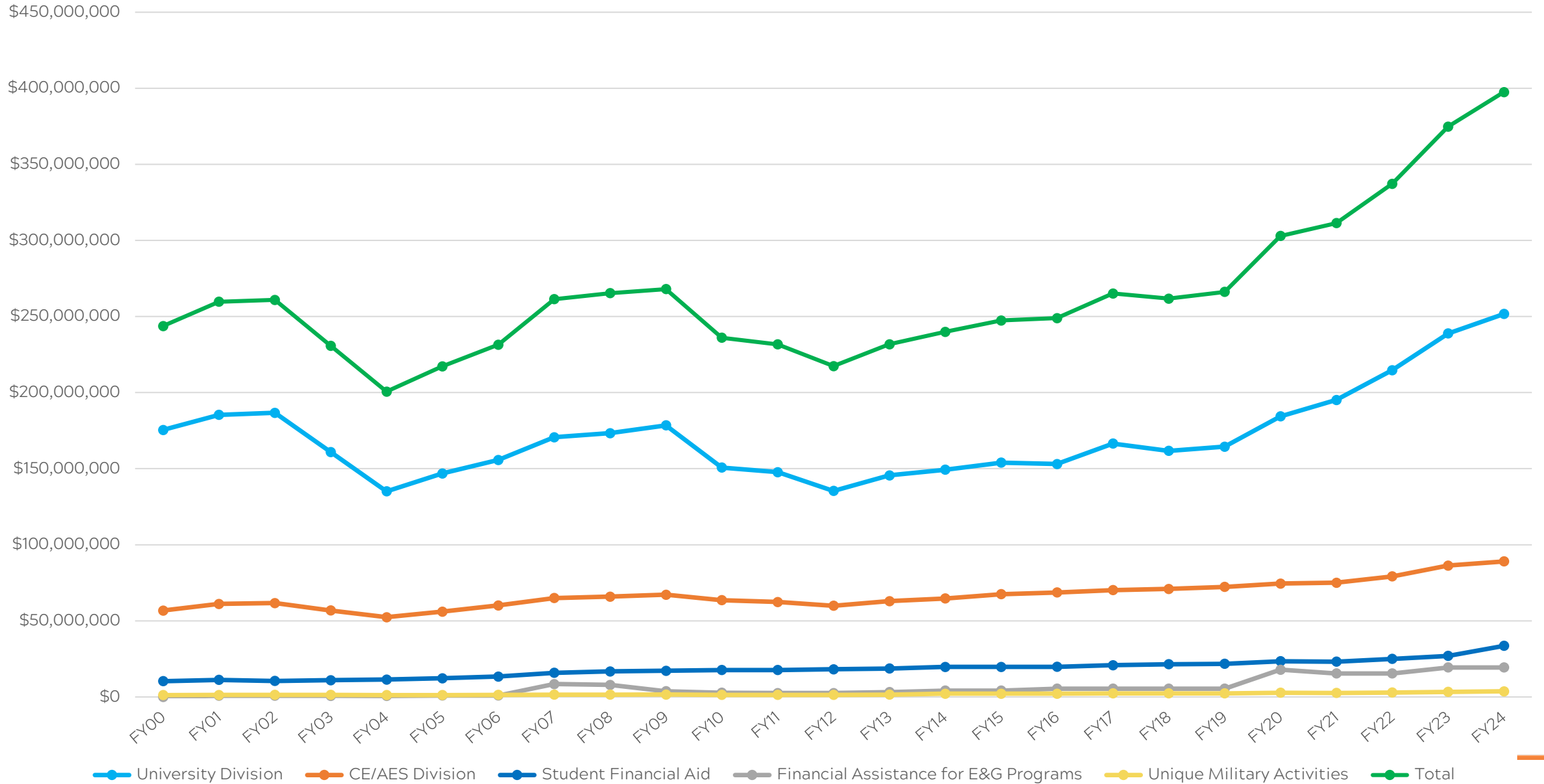
PROGRAMS VARY IN THE PORTION OF FUNDING THAT COMES FROM SELF-GENERATED REVENUES AND SUBSIDIES



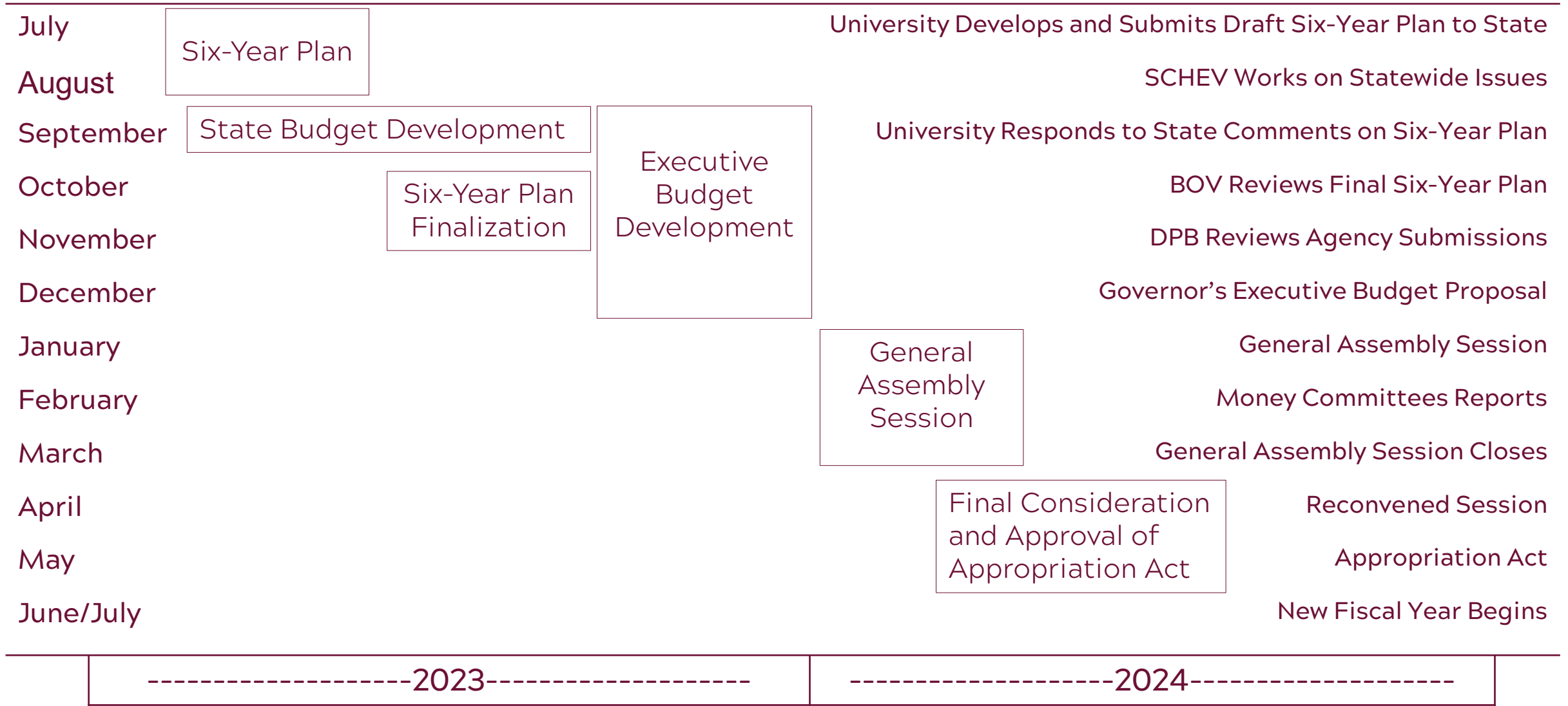
2022-23 Operating Budget Trend by Component (\$ in Millions)



General Fund Support by Program



EXTERNAL OPERATING BUDGET TIMELINE - BIENNIUM



-----2023----- -----2024-----

DISCUSSION



Update on 2023 Special Session of the General Assembly

BUDGETING AND PLANNING COMMITTEE

September 20, 2023

2022-24 STATE BUDGET TIMELINE

February 25, 2023 - Regular session adjourned without a complete spending agreement. A stop-gap measure, known as the “skinny budget” was approved which minimal changes but no action of higher education.

August 25, 2023 - Conferees announced there was a comprehensive budget deal.

September 6, 2023 - Special session convened. Amended budget was passed by House and Senate.

September 14, 2023 - Governor signed the amended state budget.

STATE BUDGET - COMPENSATION

2.0% compensation program effective December 10th, 2023.

- Faculty, Staff, and Graduate Assistants eligible.
- State will fund the General Fund share of program.

<i>Fund Split Methodology</i>	State Share (GF)	University Share (NGF)
University Division E&G	38%	62%
Cooperative Extension & Agricultural Experiment Station	95%	5%
Auxiliary Enterprises	0%	100%
Sponsored Programs	0%	100%

STATE BUDGET: VT SUPPORT FY24

\$9.2 million General Fund for **Affordable Access** to support inflation, student support services, programs for workforce needs, and to minimize student costs.

\$3.1 million of General Fund for **Student Financial Aid** to *provide need-based undergraduate financial aid to reduce the amount of tuition revenue used for financial aid.*

\$1.0 million of General Fund to support **research** on the efficacy of making electroencephalogram combined transcranial magnetic stimulation available for veterans, first responders, and law-enforcement officers at Fralin Biomedical Research Institute.

STATE BUDGET: VT CAPITAL

Capital Projects

- **\$9.0 million** NGF for Detail Planning on expand the VTCSOM & FBRI.
- Detail Planning authorization for the Improve Center Woods Complex (amount TBD).

Maintenance Reserve Program

- **\$0.8 million** increase in FY24

Furniture, Fixtures & Equipment (FF&E)

- **\$5.7 million** provided to support FF&E for the Undergraduate Laboratory Building.

Nongeneral Fund Debt Authorization

- 9d debt authorizations included bond financing as requested:
 - Randolph/Mitchell Hall
 - Building Envelope Improvements

STATE BUDGET: OTHER ACTIONS

- Language introduced to establish a **joint subcommittee on higher education funding** with priority placed on review of *operations* and *financial aid* funding models.
- Statewide \$12.5 million GF to **SCHEV for the recruitment and retention of Pell-eligible** students. Funds intended to support initiatives that attract, enroll, and retain low-income students. Priority is placed on institutions with below average Pell enrollment. Competitive grant process

DISCUSSION