

MINUTES

Budgeting and Planning Committee

February 2, 2026

9:00 AM

Zoom

Present: Julie Ross (presiding), Sherif Abdelaziz, Kylie Allen, Leanna Blevins, Tara Brent, Jack Browning, Jeff Earley, Trish Hammer, Tim Hodge, Creed Jones, Edward Lener, John McGee, Liza Morris, Rebecca Pauly, Dustin Read, Annika Schmierer, Will Walton and Rebecca Weaver-Hightower.

Absent with Notice: Travis Burns and Amy Sebring

Absent: Pascha Gerni and Frederick Smith

Guests: Debbie Greer and Holly Williams

1. Announcement of approval and posting of minutes of December 9th, 2025.

Tim Hodge opened the meeting and announced approval and posting of the minutes of December 9, 2026 to the Governance website. Mr. Hodge also welcomed Julie Ross, new Executive Vice President & Provost to the meeting as the new co-chair for the Budgeting and Planning Committee.

2. Presentation

Summary of Executive Budget Proposal for the 2026-28 Biennium

Tim Hodge, Associate Vice President for Budget and Financial Planning, provided a summary of the Executive Budget proposal for the 2026-28 biennium presented by Governor Younkin on December 17th. While appreciative of state support, Mr. Hodge highlighted several proposals in the executive budget for the University Division (Agency 208) including a tuition cap of 2.5% for all in-state undergraduates (yet state nongeneral fund cost assignments are excess of this limit), additional funding of up to \$11.4 million of state support for the Virginia Military Survivors and Dependents Education Program (of which a significant portion is from a less certain state funding source), \$3.2 million general fund one-time for access & affordability (one-time funding is problematic for managing ongoing cost escalation), \$1.3 million general fund one-time for undergraduate need-based financial aid, and \$1.9 million general fund to support in-state tuition rate for Virginia resident's who attend VTCSOM. Mr. Hodge also shared the state's proposed increases in VT's share of insurance premium and worker's compensation premium over the biennium. He also shared proposed funding for the Virginia Cooperative Extension/Agricultural Experiment Station Division (Agency 229) of an additional \$0.5 million to maintain current level of service. The Governor also proposed a 2% Bonus program for June 2026 and a 2% base compensation program for FY 27 & FY28. A 13% increase in healthcare insurance premiums for FY27 and 5% for FY28 was also proposed. Mr. Hodge reminded the Committee that the budget proposal was not final, the House and Senate will independently deliberate over the proposed budget during the current General Assembly session and present a final

combined budget when the session ends. Several questions were brought up for discussion by the Committee members. A memo summarizing the executive budget amendments is attached to the minutes.

Update on FY27 Budget Reduction Planning Scenario

Mr. Hodge also provided an update on the FY27 budget reduction planning scenario, reminding the Committee that Virginia Tech starts from a strong financial position, grounded in a structurally balanced budget. Unfortunately, external fiscal environments continue to be less certain and while the university continues ongoing efforts to manage costs and advance new strategic priorities, several emerging factors underscore the need for proactive financial planning. A couple examples: nongeneral fund cost assignments in excess of a proposed tuition cap (reviewed in the prior agenda item), shortfall in international graduate student enrollments in Fall 2025 and potentially in Fall 2026, an enrollment mix variance of continuing students, and potential changes to federal funding and policies could materially affect the university's ability to advance strategic priorities (Virginia Tech Advantage and Global Distinction). In an effort to be proactive, all 208 E&G units have been asked to engage in the planning exercise, units are being asked to prioritize potential strategies. The goal of this planning exercise is to ensure the university is well positioned to respond to these resource uncertainties and provide thoughtful planning and maximum flexibility. Mr. Hodge reminded the Committee that this is only a planning exercise. Several questions were brought up for discussion by the Committee members. The reduction planning memorandum is attached to these minutes.

3. Announcements

- Next meeting is scheduled for Monday, April 6th from 2:00-3:00 pm.

4. Adjournment

- There being no further business, the meeting was adjourned at 9:50 am.