

**MINUTES**  
**UNIVERSITY ADVISORY COUNCIL ON**  
**STRATEGIC BUDGETING AND PLANNING**  
**January 21, 2021**

**Present:** Scott Case, Terry Clements, William Dougherty, Jeff Earley, John Fike, Daniel Harrington, Donald Hatfield, Jia-Qiang He, Bob Hicok, Tim Hodge, Ed Lener, Erin McCann, Michael Sorice, Joell Eifert, Joe Merola, Ken Miller, and Liza Morris.

**Absent with Notice:** Cyril Clarke, Carol Cash,

**Absent:** Angel Carter

**Guests:** Maruf Hoque (substitute for Awad Abdelhalim),

**1. Announcement of approval and posting of minutes of November 12, 2020**

The November 12, 2020 minutes have been approved and forwarded to the University Council for posting on the web.

**2. Old Business**

No old business.

**3. New Business**

No new business.

**4. Presentation**

Tim Hodge, Associate Vice President of Budget and Financial Planning, gave a presentation on the Update on Budget Reductions, Executive Budget Amendments to the 2020-22 Biennial Budget and Federal COVID Relief Funds (attached).

Tim Hodge updated the Council on the final budget reductions implemented by the University. At the beginning of the pandemic, the university faced an uncertain revenue outlook, prompting the University to implement a 5% budget reduction for 208 colleges, Agency 229 and Auxiliaries, and a 7% budget reduction for 208 non-college areas (2% for critical needs). In early fall, revenue and costs were better understood, the University mitigated the reductions and reduced 208 colleges and 208 non-college units by 2%, while eliminating Agency 229 reduction to 0%. The 5% budget reduction in auxiliary enterprises was not changed and several units will implement additional actions to respond to the changes in business activity levels.

For the update on the Executive Budget amendments to the 2020-22 biennial budget, Mr. Hodge reminded the Council of the budgetary items approved by the General Assembly during their Special Session and were signed into law on November 18, 2020. They included no reduction in state General Fund support, \$4 million one-time state support for COVID costs, \$13.3 million in one-time Federal Coronavirus Relief Funds state pass through funding, financial flexibility language for supporting pandemic impacts, and

\$1,500 bonus for full-time & \$750 for adjunct faculty in September 2021. On December 16, 2020, the Governor released his Executive Budget amendments to the 2020-21 biennial budget, which included \$650 million to state reserves, \$100 million into the Virginia Retirement System and \$1.6 million increase in Virginia resident undergraduate financial aid in 2021-22. Mr. Hodge reminded the Council that the General Assembly crossover is scheduled to take place on Sunday, February 7<sup>th</sup>.

Mr. Hodge's final update to the Council covered the future Federal COVID Relief funds. On December 21, 2020, Congress approved the Consolidate Appropriations Act, which was the second federal stimulus program. Within this Act, a \$22.9 billion allocation went to the Higher Education Emergency Relief Fund (HERF), with an estimated 27.4 million allocation to Virginia Tech of which \$9.7 million is required to be for student financial aid. Additional relief funds could be available from the Governor's Education Emergency Relief Fund (GEERF) or the Virginia Direct Allocation fund.

**5. Other Items**

Council members asked questions about the financial implications of the vaccination program and other areas of interest.

**6. Adjournment**

There being no further business, the meeting adjourned at 4:51 p.m.



University Advisory  
Council on  
Strategic  
Budgeting and  
Planning

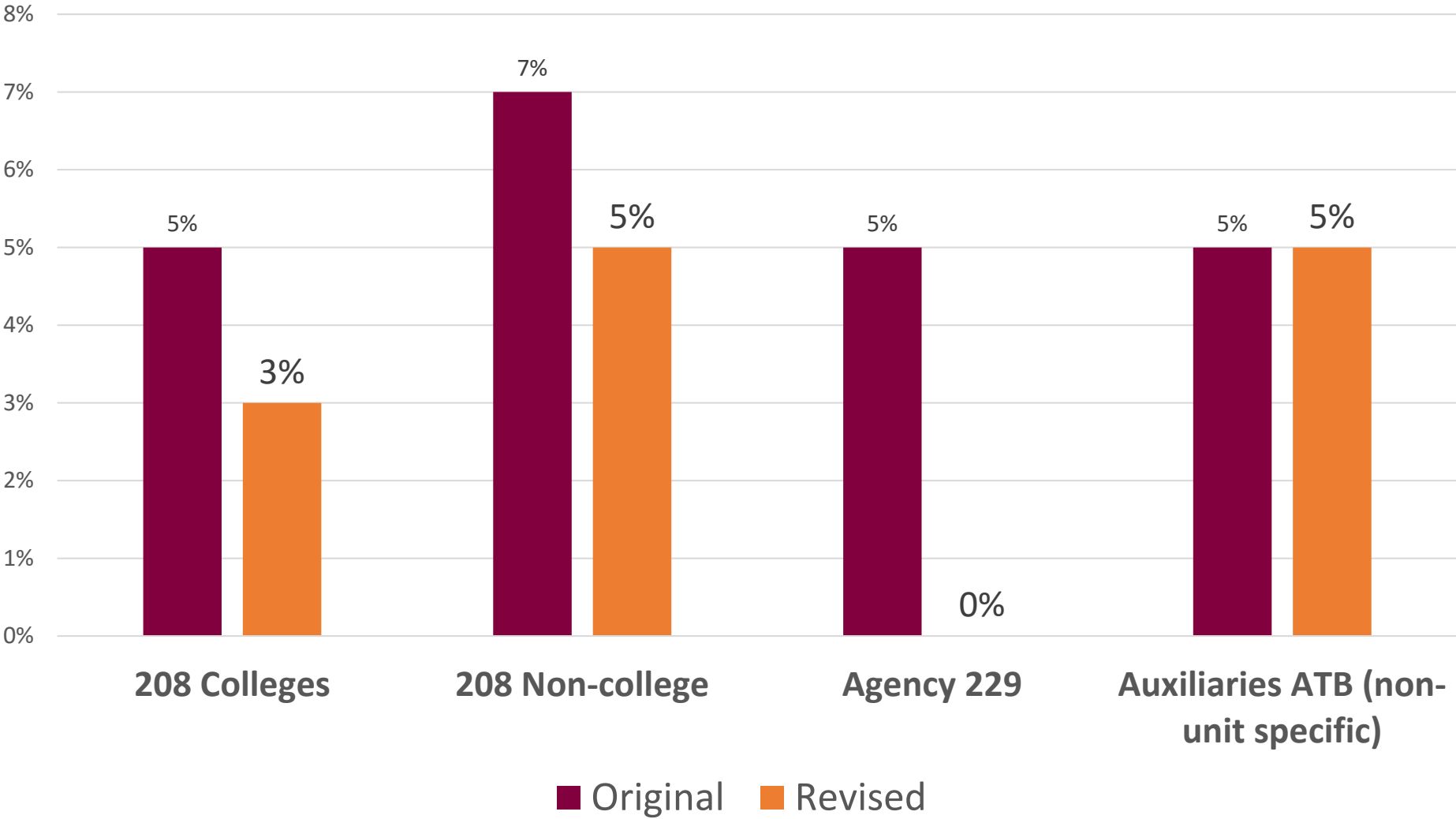
JANUARY 21, 2021



# Update on Budget Reductions

# 2020-21 Budget Reductions

## Original v. Revised



Update on Executive  
Budget Amendments to  
2020-22 Biennial  
Budget

▮ ***As a reminder:***

GENERAL  
ASSEMBLY  
**SPECIAL  
SESSION**

Signed into Law November 18, 2020

- No reduction in state General Fund support
- \$4M one-time to support COVID costs.
- \$13.3M one-time in Federal Coronavirus Relief Funds (from state allocation).
- Language: financial flexibility for supporting pandemic impacts during 2020-22
- Bonus
  - \$500 Police Officer bonus, Dec. 2020
  - Revenue contingent \$1,500 bonus for full-time state employees and \$750 for adjunct faculty, Sept. 2021
- Health Insurance
  - FY21: Healthcare Holiday for December 2020
  - FY22: 3.5% premium increase (52% of previously planned increase)



# EXECUTIVE BUDGET AMENDMENTS

December 16, 2020

- \$650 million to state reserves
- \$100 million into the Virginia Retirement System

VT:

- \$1.6 million increase in Resident Undergraduate Financial Aid in 2021-22



# Update on Federal COVID Relief Funds

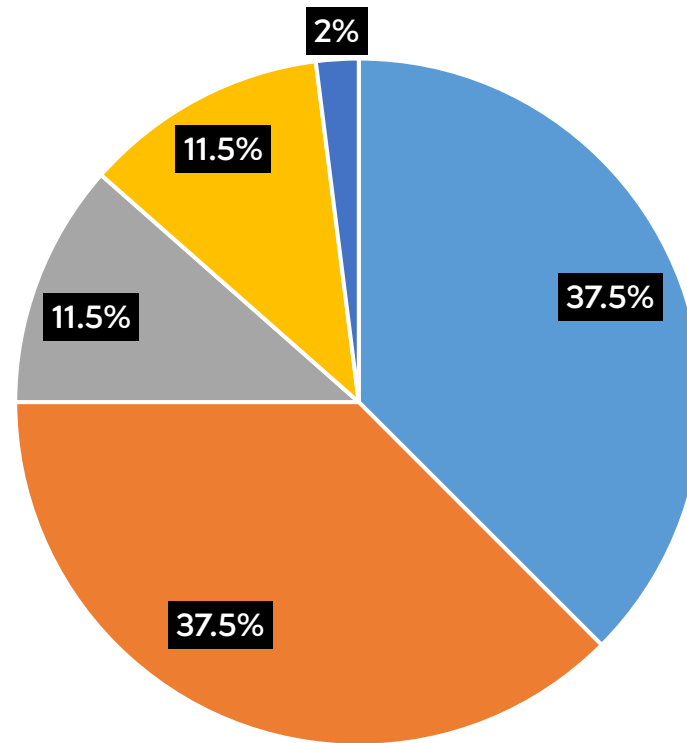
# COVID-19 Federal Support for VT

- On Dec. 21, Congress approved the Consolidated Appropriations Act of 2021.
  - Second federal stimulus program
  - Combined omnibus spending package to fund government through the end of FY21 with \$900 billion in COVID-19 relief.
  - 5,593 pages, the longest bill ever passed by Congress.
- Significant Allocations:

<b>Higher Education Emergency Relief Fund (HEERF) VT Direct Allocation</b>	<b>\$22.9 billion \$27.4 million (Est)</b>
Governor's Education Emergency Relief Fund (GEERF) Virginia Share VT Allocation	\$4.1 billion \$30 million (Est) TBD
Virginia Direct Allocation Higher Education Pass Through VT Passthrough	\$466.7 million TBD TBD

# Consolidated Appropriations Act of 2021

## HEERF Formula



■ FTE Pell Recipients\*

■ Headcount Pell Recipients

■ Overall FTE

■ Overall Headcount

■ Other\*\*

# *Federal Support for VT*

Category	CARES Act (2020)		Consolidated Appropriation Act of 2021	
Higher Education Emergency Relief Fund (HEERF)	<b>\$19.4M</b>	Institutional Aid <b>\$9.7 M</b>	<b>\$27.4 M (est)</b>	Institutional Aid <b>\$17.7M (est)</b>
		Student Fin. Aid <b>\$9.7 M</b>		Student Fin. Aid <b>\$9.7 M</b>
Governor's Emergency Education Relief Fund (GEERF)	<b>\$0.8 M</b>	Student Fin. Aid	<b>TBD</b>	
Coronavirus Relief Funds (State pass-through)	<b>\$16.7 M</b>	Spring 2020 <b>\$3.5 M</b> Fall 2020 <b>\$13.2 M</b>	<b>TBD</b>	
<b>Total</b>	<b>\$36.9 M</b>		<b>TBD</b>	

# Potential Additional Federal Support

- American Rescue Plan
- Current understanding of the **third** federal program under development

	<b><u>Second</u></b> \$900 billion	<b><u>Third</u></b> \$1.9 trillion
Higher Education Emergency Relief Fund (HEERF) VT Direct Allocation	\$22.9 billion \$27.8 million (Est)	\$35 billion TBD
Governor's Education Emergency Relief Fund (GEERF) Virginia Share VT Allocation	\$4.1 billion \$29 million (Est) TBD	\$5 billion TBD TBD
Virginia Direct Allocation Higher Education Pass Through VT Passthrough	\$466.7 million TBD TBD	TBD TBD TBD