

MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING
November 11, 2021

Present: Scott Case, Carol Cash, Nikolaos Dervisis, Jeff Earley, Joell Eifert, Nancy Gruber, Daniel Harrington, Don Hatfield, Tim Hodge, Mintai Kim, Ed Lener, Erin McCann, Joe Merola, and Sean O'Keefe.

Absent with Notice: Cyril Clarke

Absent: Angel Carter, Bob Hicok, Liza Morris, and Anusha Prasad

Guests: David Crotts (substitute for Ken Miller), Willa Chaves (substitute for Michael Sorice) and Brennan Shepard.

1. Announcement of approval and posting of minutes of October 14, 2021

The October 14, 2021 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 & Discussion

Tuition & Fee and Student Financial Aid:

At the request of the Council, Brennan Shepard, Director of Financial Planning for the Office of Budget and Financial Planning, provided a comparison of Virginia Tech's undergraduate and graduate Tuition and Fee's to other Virginia Institutions and SCHEV Peer Institutions. Mr. Shepard covered the three components that make up Total Cost: Tuition & E&G Fees, Mandatory Fees (meaning the Comprehensive Fee at VT), and Room & Board. Compared to other Virginia four-year institutions, VT ranks 10th overall in total costs for resident students. For nonresident undergraduates VT ranks 18th out of the 24 SCHEV Peer Institutions. For Graduate Students, VT is 4th overall in total costs compared to other Virginia schools, and 10th compared to our SCHEV Peers for nonresidents.

The total cost is the gross price, which many of our students do not pay as many qualify for some type of Student Financial Aid in the form of Employment, Loans,

or Scholarship grant aid. Mr. Shepard also reviewed the Net Price Comparisons, which reflects a competitive sticker price and a reminder of the pressing need for more student financial aid. The presentation is attached to these minutes.

Discussion on Resource Outlook:

Tim Hodge, Associate Vice President of Budget and Financial Planning, presented an outlook on resource development. Mr. Hodge shared that this presentation focuses on the 208 E&G budget portion of the \$1.7 billion total public budget, which includes State support, Tuition & Fees (T&F), Program/Course fees, and Self-generated revenue. The 208 E&G Budget totals \$880 million, of which \$604 million comes from T&F. Mr. Hodge reviewed the resource management strategy goal to maximize the achievement of the university's strategic plan by developing a resource plan to address costs through maximizing existing resources, leverage resources and only as a last resort, increase T&F.

While a cost framework has been created with placeholder estimates, cost and resources are not yet specifically known for 2022-23. The State budget cycle will begin on December 16th with Governor Northam's biennial budget release, followed by the General Assembly session, which will change estimates. This cost framework is driven by two cost pools: Inflation & Initiatives, current placeholder estimates of Inflationary is \$20.7 million with \$9.8 million for Initiatives. Through reallocations and enrollment growth mix, the majority of Initiatives could be funded leaving a total estimated need of \$21.5 M (primarily for Inflation) to be funded by tuition or General Fund.

The Commonwealth's Six-Year planning process starts from an assumption of no incremental General Fund support. The plan offers the State the opportunity to buy down the 4.9% tuition increase for resident students. Should the State provide additional general fund support, this would help reduce the tuition increase. The inverse relationship between tuition and General Fund was displayed. A copy of the presentation is attached to these minutes.

5. Other Items

No other items.

6. Adjournment

There being no further business, the meeting adjourned at 5:00 p.m.



Tuition and Fees & Student Financial Aid

BRENNAN SHEPARD
DIRECTOR OF FINANCIAL PLANNING

NOVEMBER 11, 2021





Components of Total Cost

- Tuition
- E&G Fees
- Comprehensive Fee
- Room & Board

**TUITION &
E&G FEES**

**TUITION &
MANDATORY FEES**

TOTAL COST

Virginia Public Four-Year Institutions, 2020-21 In-State Undergraduate

<u>Institutions</u>	<u>Tuition and E&G Fees</u>		<u>Non-E&G Mandatory</u>		<u>Room & Board</u>		<u>Total Cost</u>	
	<u>\$</u>	<u>Rank</u>	<u>\$</u>	<u>Rank</u>	<u>\$</u>	<u>Rank</u>	<u>\$</u>	<u>Rank</u>
William and Mary (Freshmen)*	\$17,570	1	\$6,058	2	\$13,356	1	\$36,984	1
University of Virginia (First Year)*	14,658	2	2,638	13	12,083	3	29,379	2
Virginia Military Institute	9,562	5	9,648	1	10,060	13	29,270	3
Christopher Newport University	9,100	7	5,824	3	11,760	5	26,684	4
Virginia Commonwealth University*	12,259	3	2,451	14	11,297	8	26,007	5
Longwood University	8,180	9	5,730	4	12,020	4	25,930	6
George Mason University*	9,510	6	3,504	10	12,090	2	25,104	7
University of Mary Washington	8,678	8	4,896	7	10,104	12	23,678	8
James Madison University	7,250	11	5,080	5	11,348	7	23,678	8
Virginia Tech*	11,595	4	2,154	15	9,556	15	23,305	10
Old Dominion University*	7,047	12	4,113	8	11,064	10	22,224	11
University of Virginia's College at Wise	5,866	13	4,971	6	11,277	9	22,114	12
Radford University	7,980	10	3,436	11	9,743	14	21,159	13
Virginia State University	5,769	14	3,385	12	11,544	6	20,698	14
Norfolk State University	5,752	15	3,870	9	10,844	11	20,466	15

*Doctoral

National Peer Institutions, 2020-21 Out-of-State Undergraduate

Institutions	Tuition & Mandatory Fees		Room & Board		Total Cost	
	\$	Rank	\$	Rank	\$	Rank
<i>University of Michigan, Ann Arbor</i>	52,266	1	12,224	12	64,490	1
<i>University of California, Berkeley</i>	43,980	3	19,556	1	63,536	2
<i>University of California, Davis</i>	44,351	2	16,100	2	60,451	3
<i>University of Colorado, Boulder</i>	38,284	9	15,220	3	53,504	4
<i>University of Washington, Seattle</i>	39,025	5	13,887	6	52,912	5
<i>University of Wisconsin, Madison</i>	38,629	7	12,220	13	50,849	6
<i>University of Texas, Austin</i>	38,478	8	12,286	10	50,764	7
<i>Michigan State</i>	39,766	4	10,472	21	50,238	8
<i>Texas A&M</i>	38,706	6	11,400	16	50,106	9
<i>University of Maryland, College Park</i>	36,891	10	12,874	9	49,765	10
<i>University of Illinois, Urbana</i>	34,312	12	12,252	11	46,564	11
<i>Ohio State</i>	33,502	14	13,026	8	46,528	12
<i>Pennsylvania State</i>	35,514	11	10,592	19	46,106	13
<i>University of Pittsburgh</i>	33,706	13	11,250	17	44,956	14
<i>Rutgers University, New Brunswick</i>	31,302	17	13,075	7	44,377	15
<i>University of Minnesota, Twin Cities</i>	33,325	15	10,768	18	44,093	16
<i>Stony Brook University</i>	27,810	23	14,798	4	42,608	17
Virginia Tech	32,893	16	9,556	23	42,449	18
<i>SUNY at Buffalo</i>	28,194	22	14,136	5	42,330	19
<i>North Carolina State</i>	29,220	18	11,601	14	40,821	20
<i>University of Missouri-Columbia</i>	29,005	19	11,478	15	40,483	21
<i>University of Florida</i>	28,658	21	10,590	20	39,248	22
<i>Purdue, West Lafayette</i>	28,794	20	10,030	22	38,824	23
<i>Iowa State</i>	24,508	24	9,193	24	33,701	24

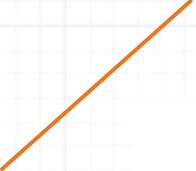
Virginia Public Four-Year Institutions, 2020-21 In-State Graduate

<u>Institutions</u>	Tuition and E&G Fees		Non-E&G Mandatory Fees		Tuition and Mandatory Fees	
	\$	Rank	\$	Rank	\$	Rank
University of Virginia*	18,816	1	2,638	8	21,454	1
William and Mary*	10,652	6	5,788	1	16,440	2
George Mason University*	12,593	4	3,504	3	16,097	3
Virginia Tech*	13,876	2	2,154	11	16,030	4
Virginia Commonwealth University*	12,783	3	2,417	10	15,200	5
Old Dominion University*	10,225	7	3,359	7	13,584	6
Norfolk State University	8,820	9	3,870	2	12,690	7
Radford University	8,973	8	3,436	4	12,409	8
Longwood University	8,640	11	3,432	5	12,072	9
Virginia State University	8,604	12	3,385	6	11,989	10
James Madison University	10,848	5	1,128	12	11,976	11
University of Mary Washington	8,676	10	2,574	9	11,250	12

*Doctoral

National Peer Institutions, 2020-21 Out-of-State Graduate

<u>Institutions</u>	<u>Tuition and Mandatory Fees</u>	
	<u>\$</u>	<u>Rank</u>
University of Michigan, Ann Arbor	49,548	1
University of Pittsburgh	40,836	2
University of Maryland, College Park	40,635	3
Pennsylvania State	38,728	4
Ohio State	37,179	5
Michigan State	37,056	6
University of Illinois, Urbana	33,480	7
University of Colorado, Boulder	33,042	8
Rutgers University, New Brunswick	31,806	9
Virginia Tech	30,547	10
University of Washington, Seattle	30,208	11
University of Florida	30,130	12
University of California, Berkeley	29,348	13
North Carolina State	28,999	14
University of Minnesota, Twin Cities	28,845	15
Purdue, West Lafayette	28,794	16
University of California, Davis	28,700	17
University of Missouri-Columbia	27,193	18
SUNY at Buffalo	26,028	19
Iowa State	25,952	20
University of Wisconsin, Madison	25,523	21
Stony Brook University	25,478	22
University of Texas, Austin	23,016	23
Texas A&M	22,416	24

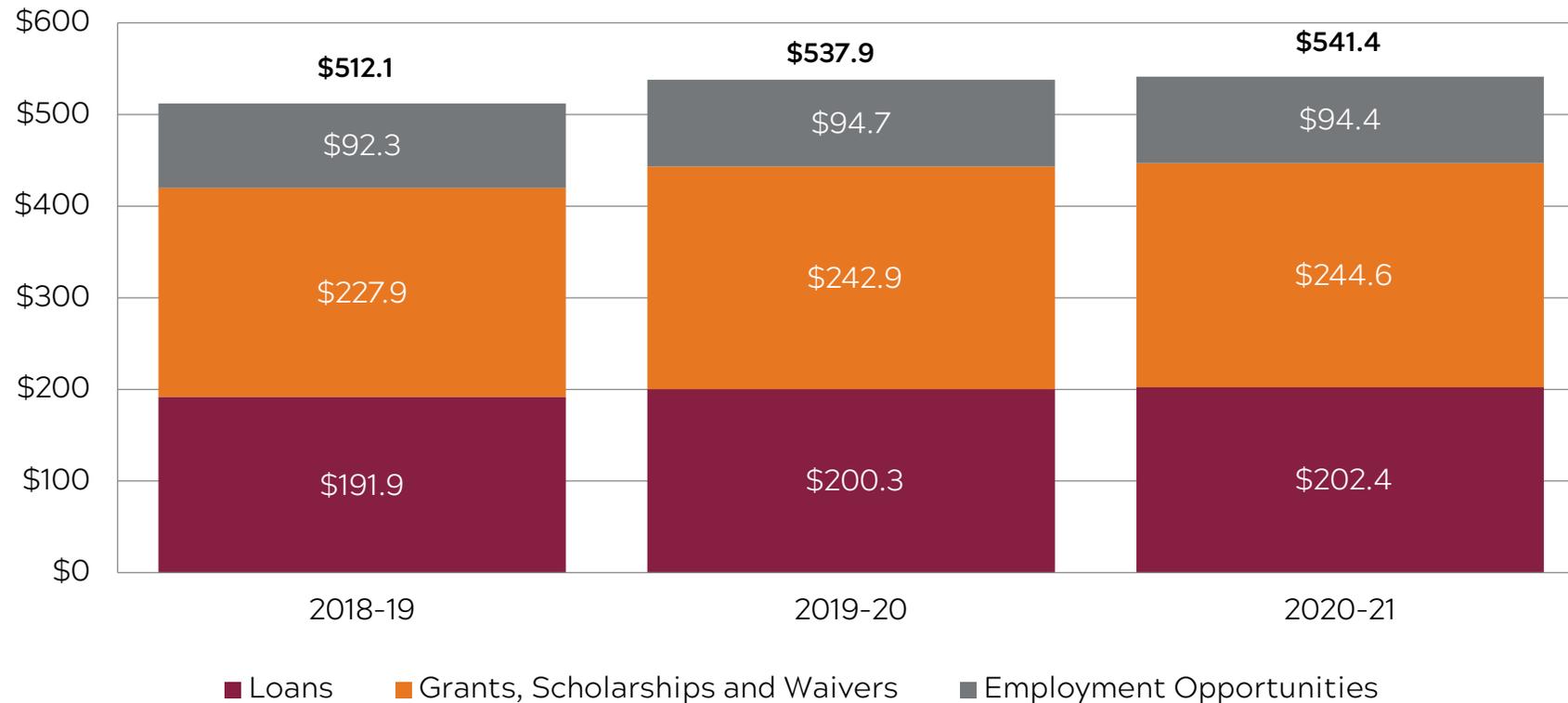


Student Financial Aid Overview



Student Financial Aid at Virginia Tech

Figure 1: Total Student Financial Aid From All Sources
Dollars in millions



Net Price Comparisons

- Net price is the cost remaining after financial aid has been applied to the total cost of attendance (tuition, fees, room and board, and other expenses)
- The university remains competitive with “sticker” price, but has an opportunity to enhance the “net” price competitiveness for resident students from low- to middle-income families

	Cost of Attendance (Sticker Price)	Average Net Price by Income (2019-20 Data)				
		\$0-30,000	\$30,001-48,000	\$48,001-75,000	\$75,001-110,000	\$110,001+
Virginia Tech	\$27,283	\$11,934	\$14,003	\$18,372	\$23,999	\$26,368
National Peer Average	33,044	9,532	10,750	14,568	20,924	25,306
Advantage (Disadvantage)	5,761	(2,402)	(3,253)	(3,804)	(3,075)	(1,062)
Virginia Tech	27,283	11,934	14,003	18,372	23,999	26,368
Select VA Doctorals	36,845	9,224	8,785	13,507	20,747	32,758
Advantage (Disadvantage)	9,562	(2,710)	(5,218)	(4,865)	(3,252)	6,390

Tuition and Student Financial Aid

- Tuition and fee revenue is the primary source of revenue for the instructional division of the university (71%)
- Being sensitive to the competitive market is critical
- Both “sticker” price and “net” price are important institutional considerations
- Financial Aid supports affordability and access
- Reduction of unmet need and mitigation of student loan debt are key strategies within the Beyond Boundaries plan

DISCUSSION ON RESOURCE OUTLOOK

UNIVERSITY ADVISORY COUNCIL ON STRATEGIC
BUDGETING AND PLANNING

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Public & Private Resources

2021-22 Budget \$ in Millions

	State	In-State T&MF	Out-of- State T&MF	Program/ Course Fees	Self- Generated	Private	Total
208 E&G	\$214.7	\$256.2	\$309.6	\$38.6	\$60.6		\$879.8
229 E&G	79.2				16.4		95.6
Student Financial Aid	25.0				13.3		38.3
Auxiliary Enterprises					355.7		355.7
Sponsored Programs	15.4				340.3		355.7
All Other Programs (UMA)	2.9				11.0		13.9
Subtotal Public Resources	337.2	256.2	309.6		797.3	-	1,739.0
Virginia Tech Foundation						193.4	193.4 *
Other University-Related Entities						29.4	29.4 *
Total	\$337.2	\$256.2	\$309.6	\$38.6	\$797.3	\$222.8	\$1,961.8
<i>% of total</i>	17%	13%	16%	2%	41%	11%	

*estimated

Resource Management Strategy

- Goal is to maximize the achievement of the university's strategic plan
 - University has an ambitious plan
 - Resource level defines the rate of progress
- University develops resource plan to address costs:
 - Maximize existing resources
 - Leverage other resources
 - State General Fund
 - Self-generated: grants, private, other
 - Enrollment management
 - Last resort: Tuition and Fee increase



Caveat

- It is early in the process
- Cost and resources are not yet specifically known for 2022-23
 - State budget development cycle has not yet begun
 - University has just begun its budget development cycle
- Placeholder estimates displayed at this time are to quantify a conceptual framework
- Estimates will change as better information becomes available

Cost Framework

Inflation

- Compensation and benefits
- Operating costs (utilities, leases, contracts)
- Purchasing power of Student Financial Aid

Initiatives

- Academic programs
- Expansion of access and reduction of student debt
- Attracting and retaining talented employees and students
- Enhancing quality and efficiency of operations

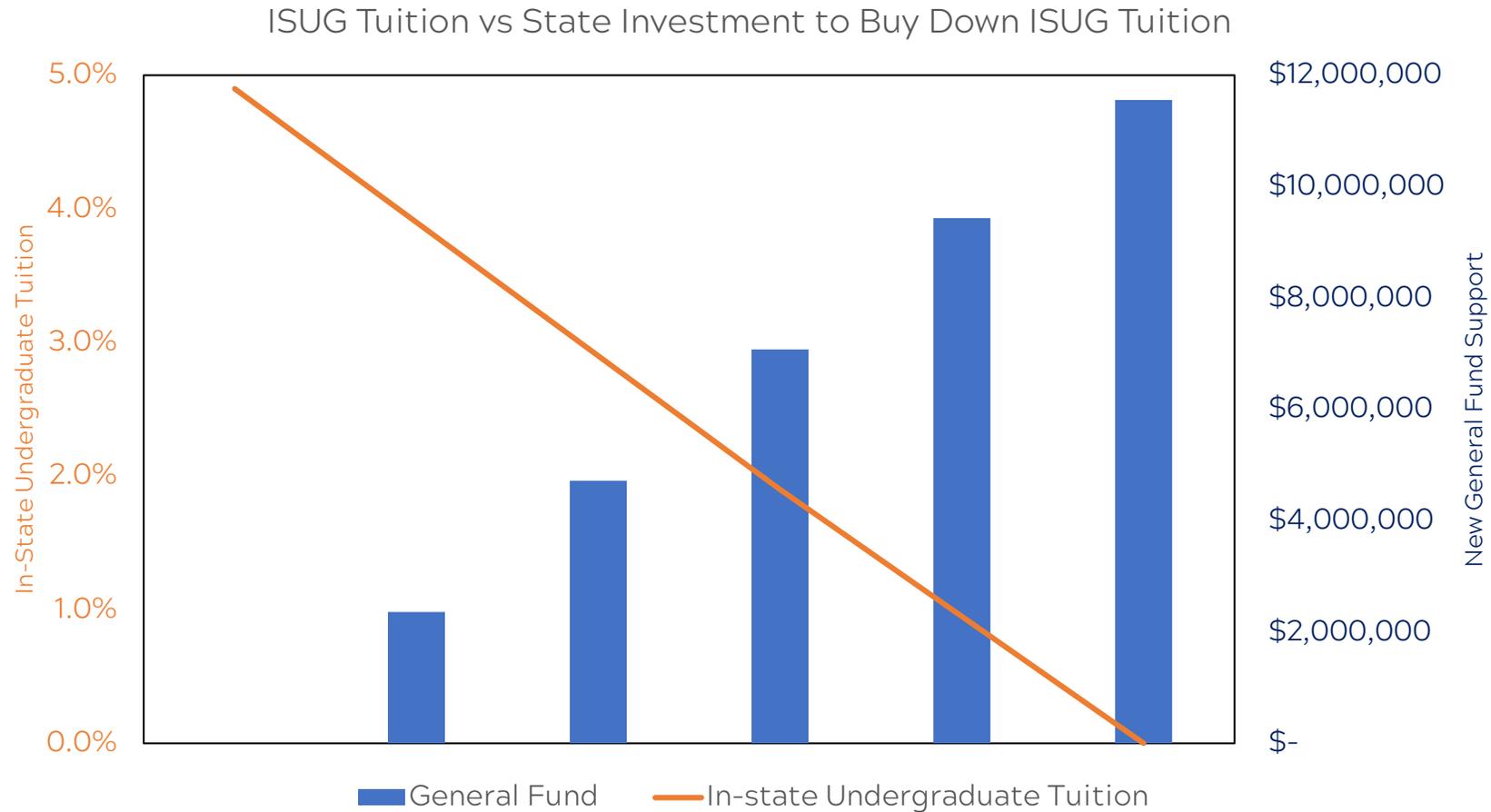
FY23 Planning Scenario

Inflationary Initiatives	20.7
	9.8
Total Estimated Need	<u>30.5</u>
(less) Reallocations	(1.3)
(less) Enrollment Growth/Mix	(7.6)
Need for Tuition or General Fund*	<u>21.5</u>

* Effectively the cost of Inflation

FY23 Planning Scenario - Funding

Assume other student categories increase relative to inflation and market (2.9% placeholder).



Next Steps

- Advocacy of university needs in state budget process
 - Governor's Budget published in December
 - 2022 General Assembly convenes in January
- Tuition and Fee recommendation presented to Board in Spring after a better understanding of costs and new state support is understood

DISCUSSION
