

MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING
April 16, 2020

PRESENT: Scott Case, Sherrie Clark-Deener, Terry Clements, John Fike, Donald Hatfield, Bob Hicok, Tim Hodge, Maruf Hoque, Edward Lener, Erin McCann, Ken Miller, John Richey, Ken Smith, Michael Sorrice and John Ferris (guest).

ABSENT: Blake Barnhill, Maria Balota, Angel Carter, Cyril Clarke, William Dougherty, Liza Morris, and Cayce Myers.

1. CALL TO ORDER

Mr. Tim Hodge, Associate Vice President of Budget and Financial Planning called the meeting to order.

2. APPROVAL OF THE FEBRUARY 20, 2020 MINUTES

Mr. Hodge stated that the February 20, 2020 minutes have been approved and forwarded to the University Council for posting on the web.

3. DISCUSSION OF THE COUNCIL'S ROLE IN THE GOVERNANCE STRUCTURE

Dr. John Ferris, Associate Professor in the Mechanical Engineering Department, updated the Council on The President's Committee on Governance proposal, which is scheduled to be presented to President Sands by the end of the semester. Dr. Ferris described the structure of the new governance model and how the University Advisory Council on Strategic Budgeting and Planning's role would fit into this new model. The idea behind the new governance structure is to give each legislative body under the shared governance system a larger voice in proposed resolutions that directly affect that legislative body. The new proposed governance structure would be more democratic and provide additional transparency, giving constituencies a direct voice in the shared governance.

4. UPDATE ON COVID-19 FINANCIAL IMPACT

Mr. Hodge provided an update to the Council on the financial impact COVID-19 has had on Virginia Tech to date. Mr. Hodge reminded the Council of the University's action timeline in response to COVID-19. Mr. Hodge then walked the Council through a schedule that had been requested and sent to SCHEV. The schedule looked at expense and lost revenue estimates for Spring 2020 only, as the impact estimates for Summer and Fall of 2020 are not completely known yet. Mr. Hodge walked through the expense and lost revenue estimates for VT's E&G, Auxiliary and Research divisions, for an estimated total of \$29-30 million. Mr. Hodge reminded the Council that VT is slated to receive \$19 million in federal aid, with 50% of that aid going directly to students in the form of financial aid. Mr. Hodge also gave a brief update on the status of the State's budget, in which all new funding will be paused until a revised revenue forecast can be completed this summer. Mr. Hodge reminded the Council that we are in unprecedented times and the university is still working to learn and understand the full impact of COVID-19 on the institution. A copy of the schedule is attached to these minutes.

5. No further business was discussed; the meeting was adjourned at 5:11 p.m.

Estimates of Expenses and Lost Revenues in Response to COVID-19
Spring semester

E&G Expenses

		Spring 2020	
Agency Code	Usage	Low Est. Amount	High Est. Amount
	Technology for online instruction/telework (hardware, software, etc.)	(900,000)	(900,000)
	Student support for online instruction	(122,500)	(122,500)
	Cost to clean and disinfect instructional buildings	(38,502)	(38,502)
	Cancelled Study Abroad: contractual obligations/extractions	(253,000)	(253,000)
	Total	(1,314,002)	(1,314,002)

Estimate

Notes

E&G Lost Revenue

Agency Code	Usage	Low Est. Amount	High Est. Amount
	Tuition or other program/course fee refunds	(90,000)	(180,000)
	Other (describe in notes)	(2,860,000)	(2,860,000)
	Total	(2,950,000)	(3,040,000)

Veterinary Hospital, Equine Medical Center, Continuing Education, other self-supporting entities

Auxiliary Expenses

Agency Code	Usage	Low Est. Amount	High Est. Amount
	Cost to clean and disinfect auxiliary buildings	(67,000)	(67,000)
	Other (setup for staff telework, describe in notes)	(13,000)	(13,000)
	Total	(80,000)	(80,000)

Auxiliary Lost Revenue

Agency Code	Usage	Low Est. Amount	High Est. Amount
	Housing	(8,900,000)	(8,900,000)
	Dining	(10,400,000)	(10,400,000)
	Parking	(730,000)	(730,000)
	Athletics	(2,730,000)	(2,730,000)
	Other total	(2,092,000)	(2,092,000)
	Total	(24,852,000)	(24,852,000)

NCAA cancelled
 Estimated impact on self-generated revenue including: Inn at VT, Fleet Services, Steger Center, Recreational Sports, Health Services, Library copy services

Research

Agency Code	Usage	Low Est. Amount	High Est. Amount
	Research salaries and fringes for research that is not able to continue		
	Other (describe in notes)		
	Total	-	-

TBD

Grand Total

(29,196,002) (29,286,002)