

MINUTES
UNIVERSITY ADVISORY COUNCIL ON
STRATEGIC BUDGETING AND PLANNING
October 24, 2013

PRESENT: Martin Daniel, Tim Hodge, William Knocke, Andrew McCoy, Timothy Scott, Dwight Shelton, Ken Smith, Sue Teel

ABSENT: Amy Brunner, Renee Boyer, Elizabeth Fine, Balachandar Guiduri, Wendy Herdman, Mark McNamee, Joe Merola, Quinton Nottingham, Leslie O'Brien, Theresa Pancotto, John Phillips, Jason Soileau, Connie Stovall

1. CALL TO ORDER

Mr. Dwight Shelton, Vice President for Finance and CFO, called the meeting to order at 3:00 p.m.

2. APPROVAL OF THE SEPTEMBER 26, 2013 MINUTES

Mr. Shelton announced that the minutes of the September 26, 2013 meeting have been approved and sent to University Council for posting on the web.

3. REVIEW OF THE 6-YEAR PLAN

The university presented the university's academic, financial, and enrollment plans for 2014-2020 in August 2013 to state officials. Mr. Shelton stated that he, President Steger, Provost McNamee, and others from Virginia Tech participated in a 6-year plan review with SCHEV, Secretary of Education, Secretary of Finance, DPB, and General Assembly money committee staff. Mr. Shelton shared PowerPoint slides from that review. He went on to explain the background of this process. The Higher Education Opportunity Act (HEOA) of 2011 established goals for higher education, a funding model, and process for submission and review of 6-year plans from institutions of higher education. The HEOA established goals for higher education and created related financial incentives for institutions to meet the goals of the legislation. The goals, which include increased enrollment, increased degree completion, improved retention and graduation rates, increased research output, and increased degree production in STEM fields. The HEOA goals also include financial aid for low and middle income families, year-round use of facilities, and resource sharing between institutions. The funding model HEOA codified the Base Budget Adequacy funding model and the goal to have faculty salaries at the 60th percentile of peer institutions. The HEOA funding model has four components: base operations, per student funding, student financial aid, and incentive funding. The process leads and informs the state's biennial budget development process. Virginia Tech's 6-year plans are based on the university's strategic plan, "A Plan for a New Horizon". There are three major components: Academic Plan, Enrollment Plan, and Financial Plan. The Academic Plan frames the university's academic implementation plan within the state's framework. The Enrollment Plan reflected relatively flat undergraduate enrollment and the strategic growth planned for graduate education consistent with the university's strategic plan.

Mr. Tim Hodge, Assistant Vice President for Budget and Financial Planning, who also attended the 6-year plan review, shared some of the slides from the two Financial Plans. A Financial Plan was prepared for both the University Division as well as Cooperative Extension/Agricultural Experiment Station Division. The discussion reviewed that tuition projections are an important part of the process. He noted that projected expenses exceed projected NGF revenues; therefore, state general fund support is needed

to fully implement all envisioned strategies. The plans also review financial aid strategies to ensure access and affordability.

4. OTHER BUSINESS

There being no further business, the meeting adjourned at 4:05 p.m.