



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

FY 2013-14 Budget and
Proposed Tuition and Fees
May 10, 2013

Agenda

- VCU – Legal Requirements
- Budget – Overarching Context
- VCU’s Base Budget – Comparisons
- Challenges and Solutions
- Activity Leading to FY 2014 Recommendations
- FY 2014 Tuition, Fee and Budget Proposals
- Attachments

VCU – Legal Requirements



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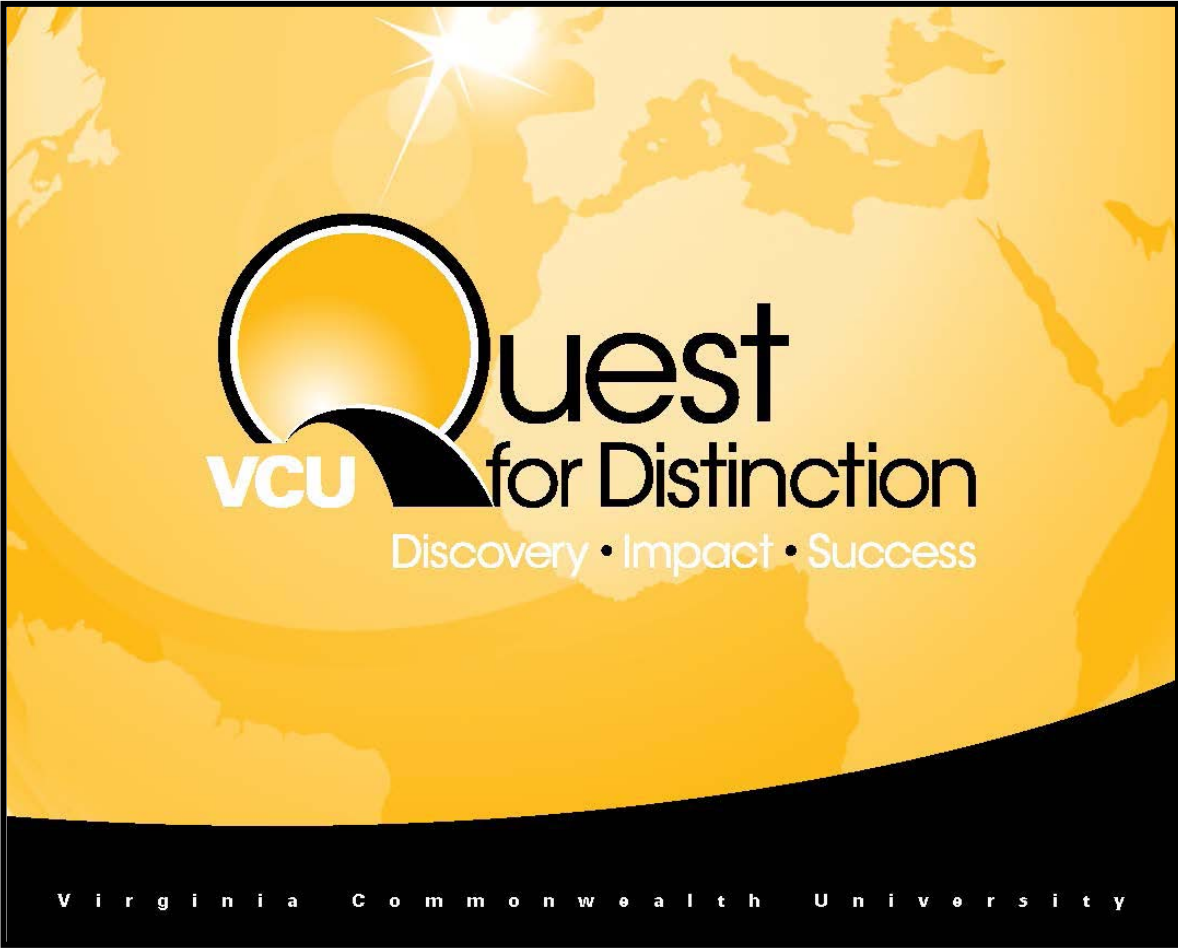
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BOV Legal Requirements



- Pursuant to applicable bylaws and Virginia law, BOV members have duties to prudently review and establish a balanced budget.
- Details of legal obligations are outlined in the Appendix.
- BOV duties are prescribed by:
 - Existing Bylaws – § 3.02
 - Uniform Prudent Management of Institutional Funds (UPMIFA) Act for Virginia – § 64.2
 - Virginia Higher Education Opportunity Act of 2011 – § 23-38.87:10
 - Investment of Public Funds Act – § 2.2.4500, et seq.
 - Noteworthy governance requirements of HB 1952 (approved in the 2013 Session and guidance provided previously)

Budget – Overarching Context



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Budget – Overarching Context



- Austere fiscal circumstances
- Need to focus spending on core academic mission and student needs
- Unique funding situation among our peers:
 - Serves the largest in-state student population
 - Most dependent on state appropriations
 - Do not have a large out-of-state tuition buffer
 - Historically low tuition, especially for a major research university
- Even with state appropriation increases in the past two years, VCU remains roughly \$52 million below 2008 funding levels

Budget – Overarching Context



- To move forward as a Top 50, nationally competitive research university and provide a world-class learning experience for all of our students, VCU must:
 - Focus on recruiting and retaining the best faculty;
 - Employ market-based tuition strategies;
 - Continue significant cost-cutting and operational efficiency measures where appropriate;
 - Generate additional revenue through fundraising, entrepreneurial initiatives, and optimal financial management;
 - Continue our progress and success with *Quest*.

VCU's Base Budget – and Comparisons

VCU's Base Budget – FY 2013

- Most public focus during budget development is on VCU's E&G budget, which is comprised primarily of funds raised by tuition and fees and state appropriations:
 - In FY 2013, this totaled \$489.4M
- Other budget revenue includes Sponsored Programs, Auxiliary Programs, VCU-Q, Financial Aid, Hospital Services, and University Funds:
 - In FY 2013, this totaled \$430.8M
- All fund types are included in the FY 2014 Budget Plan.

Virginia Commonwealth University
 FY 2012-2013 University Budget Plan
 Summary of Sources and Uses
 (thousands of dollars)

FY 2012-2013 Sources	Educational & General Programs	Sponsored Programs			Qatar	University Funds	Student Financial Assistance	Hospital Services	Total University
		Direct Costs	Facilities & Admin. Costs	Auxiliary Enterprises					
State General Fund	\$ 150,550	\$ 8,913	\$ -	\$ -	\$ -	\$ -	\$ 22,659	\$ 250	\$ 182,372
Nongeneral Funds									
Student Tuition and Fees	318,606	-	-	47,754	-	-	-	-	366,360
Grants and Contracts	8,222	119,901	23,279	-	-	-	28,881	-	180,283
Federal Stimulus	-	-	-	-	-	-	-	-	-
Gifts and Investment Earnings	160	-	-	2,255	-	32,614	-	-	35,029
Endowment and Investment Earnings	-	-	-	-	-	-	-	-	-
Sales and Services	11,482	-	-	69,580	41,372	-	-	26,614	149,048
Other Sources	402	-	-	2,522	-	4,243	-	-	7,167
Total Nongeneral Funds	338,872	119,901	23,279	122,111	41,372	36,857	28,881	26,614	737,887
Total University Sources	\$ 489,422	\$ 128,814	\$ 23,279	\$ 122,111	\$ 41,372	\$ 36,857	\$ 51,540	\$ 26,864	\$ 920,259
FY 2012-2013 Uses									
Instruction	\$ 243,585	\$ 10,517	\$ -	\$ -	\$ 41,372	\$ 7,148	\$ -	\$ -	\$ 302,622
Research	11,879	118,008	11,893	-	-	7,057	-	-	148,837
Public Service	5,359	289	-	-	-	751	-	-	6,399
Academic Support	101,371	-	2,512	-	-	12,154	-	-	116,037
Student Services	14,665	-	-	-	-	570	-	-	15,235
Institutional Support	56,526	-	1,461	-	-	3,893	-	-	61,880
Operation and Maintenance of Plant	43,283	-	3,956	-	-	1,165	-	1,000	49,404
Scholarships and Fellowships	2,239	-	1,666	-	-	4,119	59,590	-	67,614
Auxiliary Enterprises	-	-	-	113,847	-	-	-	-	113,847
Hospital Services	-	-	-	-	-	-	-	25,764	25,764
Subtotal Uses	478,907	128,814	21,488	113,847	41,372	36,857	59,590	26,764	907,639
Reserves and Contingencies	2,465	-	1,791	2,649	-	-	-	-	6,905
Total University Uses	\$ 481,372	\$ 128,814	\$ 23,279	\$ 116,496	\$ 41,372	\$ 36,857	\$ 59,590	\$ 26,764	\$ 914,544

Per the approved FY 2012-2014 budget, nongeneral fund appropriation authority for the University's Qatar campus was required to be transferred from Educational and General programs to operations of higher education centers program. The transfer will allow for the Qatar campus activities to be tracked separately from other educational and general programs.

Per the approved FY 2012-2014 budget, nongeneral fund appropriation from Educational and General programs of \$8,050,000 was required to be transferred to Student Financial Assistance to more accurately reflect aid to students.



E&G Revenues Are Driven by Two Sources

1. State general fund appropriations, and
2. Student Tuition and E&G Fees

Both sources are heavily shaped by VCU's history:

- VCU serves the largest number of in-state students; thus, when state support is reduced, VCU is often the hardest hit.
- Over time, state funding has eroded VCU more than other institutions.
- Exacerbating this trend is VCU's historically low tuition and fees:
 - As a research, doctoral institution with many high cost majors, VCU's tuition is below average among Virginia's 4-year public institutions.
 - VCU's tuition base is largely from in-state undergraduates, which provides no cushion when state funding reductions occur.



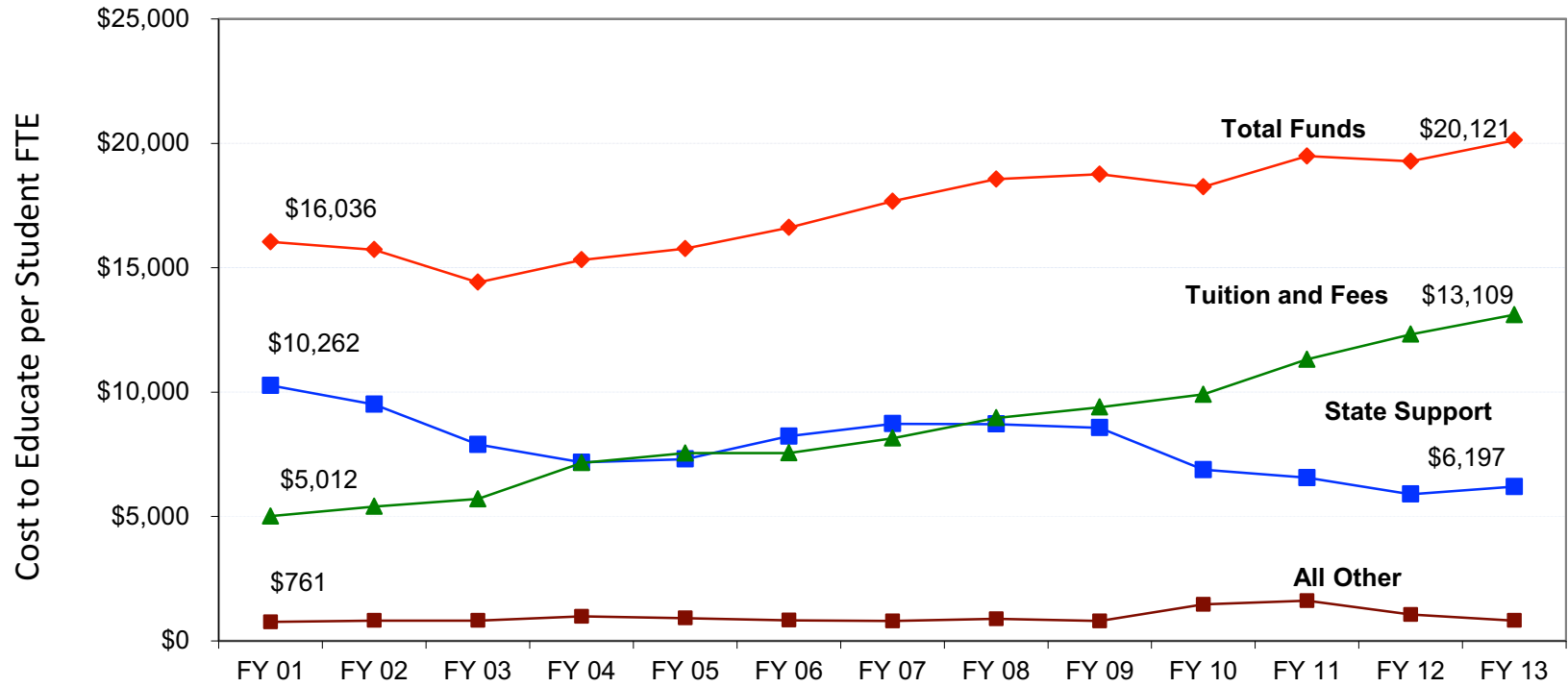
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State E&G Funding Trend



Reductions in state support over the past >10 years are evident. Although cuts stopped with the 2012-14 biennial budget, trends show clear cost shift.



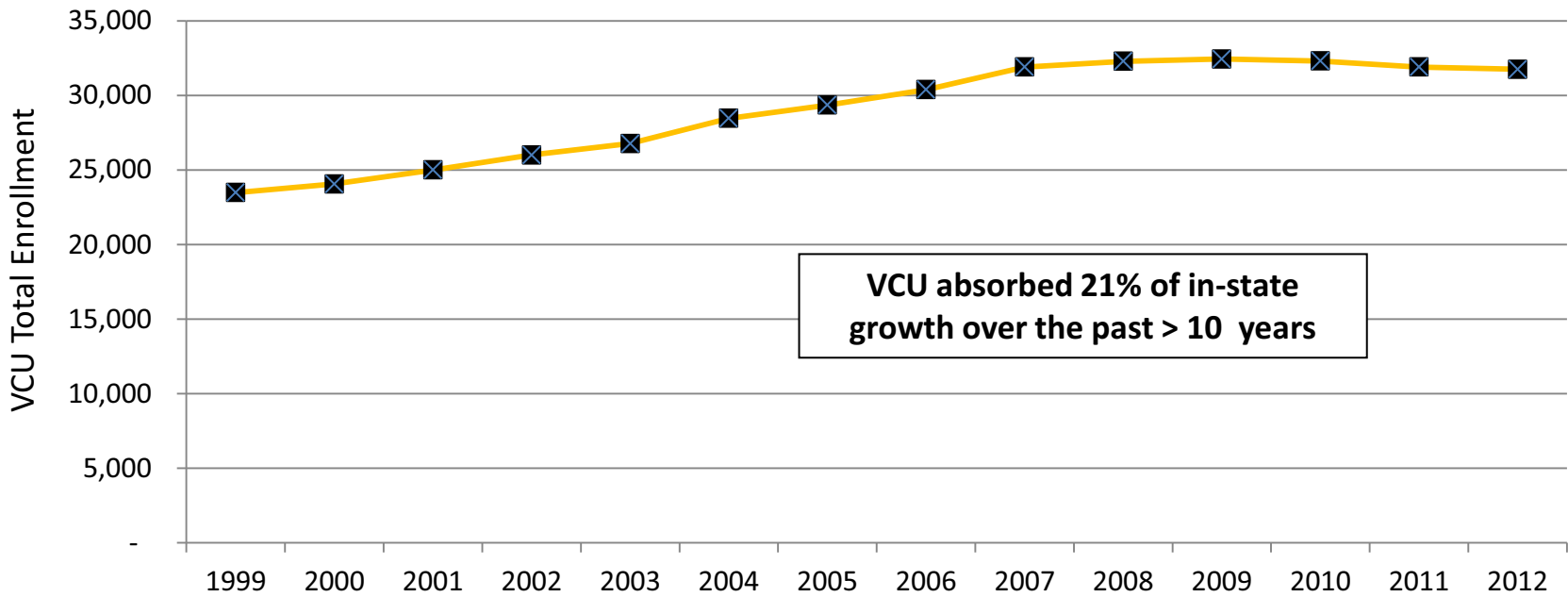
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VCU – Enrollment Growth



VCU enrolls the largest number of in-state students and among 4-year institutions, and accounts for roughly 15% of the total state enrollment.



Total Enrollment for Virginia's 4-Year Institutions, 2012

GMU	VCU	VT	ODU	UVA	JMU	RU	W&M	NSU	VSU	UMW	CNU	LU	UVA-W	VMI
32,961	31,752	31,087	24,670	23,907	19,927	9,573	8,258	7,100	6,208	5,093	5,186	4,834	2,420	1,664



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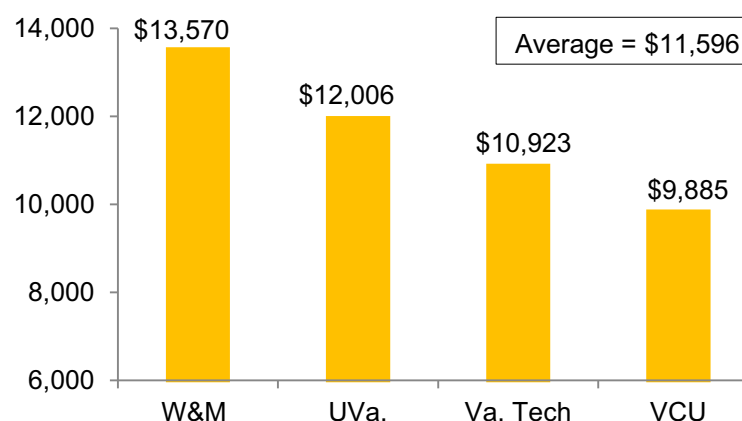
VCU – Tier III Comparison

For resident undergraduates, VCU tuition and fees are low compared to doctoral and comprehensive institutions – and far lower than other Tier III schools.

Institution	FY 2012-13 Tuition & Fees
Virginia Military Institute	\$13,835
William & Mary	13,570
University of Virginia	12,006
Virginia Tech	10,923
Longwood University	10,890
Christopher Newport University	10,572
Virginia Commonwealth University	9,885
George Mason University	9,620
University of Mary Washington	9,246
James Madison University	8,808
Radford University	8,590
Old Dominion University	8,450
UVa-Wise	8,107
Virginia State University	7,420
Norfolk State University	6,860

Source: SCHEV Tuition and Fee Report, 2012

Tier III Institutions



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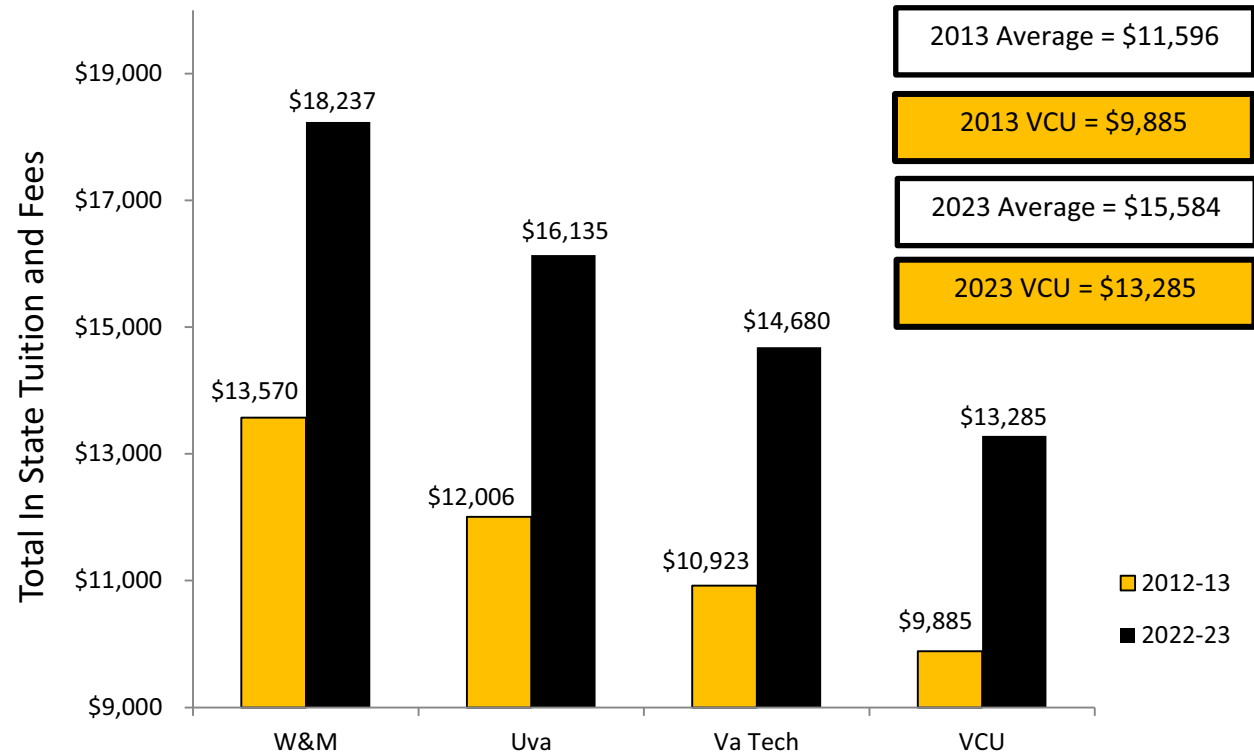
VCU – Tier III Comparison



If VCU and its peers are constrained with a specific % increase in lockstep, the trend for VCU will compound with fewer future resources.

In 2013, VCU lags the Tier III average by about \$1,700.

If all schools increase tuition by 3% per year for 10 years, VCU will then lag the average by \$2,300



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FY 2014 Tuition & Fee Increases



Based on current information, increases will likely range from \$297 - \$532 annually

Institution	Comparison of Tuition and Mandatory Fees						Total Dollar Increase 2013-14	Total % Increase 2013-14
	2012-13 ¹			2013-14 ²				
	Tuition and Mandatory E&G Fees	Mandatory Non E&G Fees	Total	Tuition and Mandatory E&G Fees	Mandatory Non E&G Fees	Total		
Virginia Military Institute	\$ 6,880	\$ 6,955	\$ 13,835					
William & Mary ³	n.a.	n.a.	n.a.	10,428	4,932	15,360	n.a.	n.a.
William & Mary ³	8,778	4,792	13,570	8,935	4,932	13,867	297	2.19%
University of Virginia	10,066	1,940	12,006	10,460	1,998	12,458	452	3.76%
Virginia Tech	9,250	1,673	10,923	9,703	1,752	11,455	532	4.87%
Longwood University	6,180	4,710	10,890					
Christopher Newport	6,244	4,328	10,572	6,554	4,538	11,092	520	4.92%
Virginia Commonwealth	7,943	1,942	9,885					
George Mason University	7,010	2,610	9,620					
Mary Washington	6,468	2,778	9,246	6,759	2,903	9,662	416	4.50%
James Madison University	4,862	3,946	8,808	5,104	4,072	9,176	368	4.18%
Radford University	5,756	2,834	8,590					
Old Dominion University	5,221	3,229	8,450	5,492	3,328	8,820	370	4.38%
UVA-Wise	4,575	3,532	8,107	4,801	3,708	8,509	402	4.96%
Virginia State University	4,736	2,684	7,420	4,906	2,878	7,784	364	4.91%
Norfolk State University ⁴	3,540	3,320	6,860	3,735	3,503	7,238	378	5.51%

¹ Source: SCHEV 2012-13 FT In-State Undergraduate Student Charges report.

² Approved rates as reported by institutional press releases, media, and institutional accounts.

³ William & Mary adopted the William & Mary Promise which includes a differentiated tuition structure for new and continuing students. The College will institute cohort based pricing with the freshman class of fall 2013, adopting an 18.8% tuition increase above FY 2013 rates for that cohort and a 1.9% tuition increase for continuing students. Increases for Mandatory non E&G fees are not known at this time.

⁴ Norfolk State increased tuition by 5.51%, fees still unverified.



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E&G Spending - Drivers



2011-12 Total Educational and General Expenditures by Program
Virginia Public Higher Education Institutions

Institution	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	O&M
Christopher Newport University	47%	2%	0%	14%	10%	13%	14%
College of William and Mary	52%	1%	0%	15%	5%	11%	16%
George Mason University	59%	1%	1%	14%	6%	11%	9%
James Madison University	53%	0%	0%	15%	6%	12%	13%
Longwood University	48%	0%	1%	15%	6%	18%	12%
University of Mary Washington	51%	1%	1%	16%	10%	9%	11%
Norfolk State University	50%	0%	1%	12%	6%	20%	11%
Old Dominion University	50%	2%	0%	20%	5%	12%	11%
Radford University	58%	0%	0%	10%	6%	15%	11%
University of Virginia	48%	3%	1%	18%	6%	8%	17%
University of Virginia at Wise	48%	0%	0%	19%	8%	17%	9%
Virginia Commonwealth University	55%	3%	2%	18%	5%	9%	10%
Virginia Military Institute	46%	0%	0%	12%	7%	19%	15%
Virginia State University	58%	1%	0%	7%	7%	16%	11%
Virginia Tech	50%	10%	3%	12%	2%	10%	13%
Richard Bland College	31%	0%	0%	4%	12%	31%	23%
Virginia Community College System	48%	0%	1%	11%	8%	22%	11%
Total	51%	2%	1%	14%	6%	13%	12%



Source: State Council of Higher Education of Virginia
Totals may not add to 100% due to rounding

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Higher Education Is Labor Intensive

- Over two-thirds (68.1%) of VCU's E&G budget is driven by compensation:
 - 43.7% Salaries
 - 8.3% Wages
 - 16.1% Fringes
- VCU has privatized a number of functions as well, spending about 5% of the E&G budget on contractual services.
- A significant portion of the E&G budget is expended on supplies, equipment and plant costs.
- Finally, the base and composition of academic and administrative unit budgets vary widely across the institution, as shown on the following slides.

Academic Unit Budgets – Considerable Variation

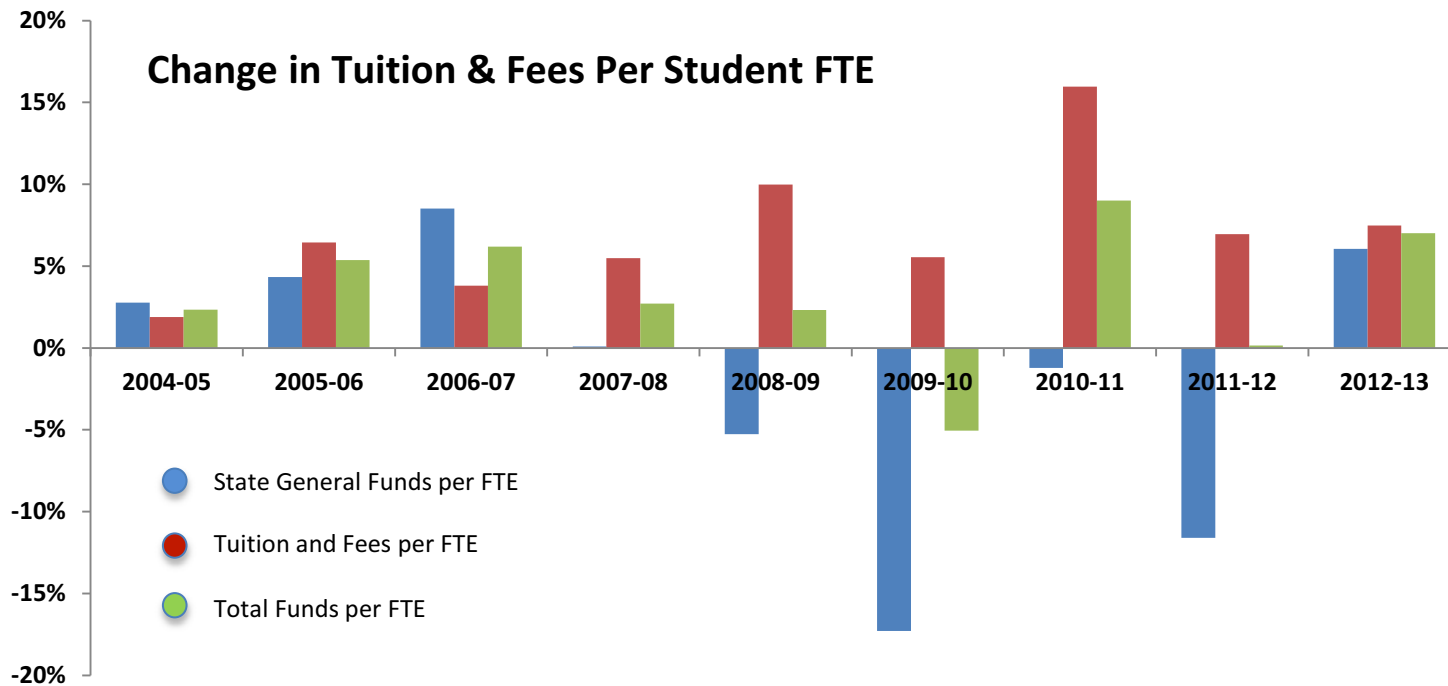
School of the Arts	Fiscal Year 2013	Percent
	<u>Expenditure Budget</u>	<u>of Expenditures</u>
Expenditure Type		
Personal Services	\$ 17,413,731	67.87%
Operating Expenses	<u>8,245,153</u>	<u>32.13%</u>
Total Expenditure Budget	\$ 25,658,884	100.00%
Program Type		
Academic Support	\$ 2,984,536	11.63%
Instruction	22,457,196	87.52%
Public Service	195,152	0.76%
Institutional Research	<u>22,000</u>	<u>0.09%</u>
Total Expenditure Budget	\$ 25,658,884	100.00%

Academic Unit Budgets – Considerable Variation

School of Social Work	Fiscal Year 2013	
	<u>Expenditure Budget</u>	<u>Percent of Expenditures</u>
Expenditure Type		
Personal Services	\$ 5,315,420	94.81%
Operating Expenses	<u>290,748</u>	<u>5.19%</u>
Total Expenditure Budget	\$ 5,606,168	100.00%
Program Type		
Academic Support	\$ 1,169,744	20.87%
Instruction	4,264,836	76.07%
Student Services	<u>171,588</u>	<u>3.06%</u>
Total Expenditure Budget	\$ 5,606,168	100.00%

Challenges & Solutions

VCU's Revenue Growth – Erratic



- The overall average percent change in funding per FTE over the past 10 years has been 3% (comprised of -2% change in state general fund and an average 7% change in tuition and fees); annual changes have ranged from -5% to 9%

Challenge – Infrastructure

- During VCU's dramatic growth in FTEs over >15 years, certain key infrastructure needs have not been realized (or postponed):
 - Lacking sufficient wet lab space on both campuses
 - Lacking sufficient vivarium space
 - Lacking robust alumni engagement infrastructure
 - Lacking any owned athletic practice fields
 - Lack of a cohesive and uniform utility management system
 - Administrative staff – limited in key VCU areas
 - Limited maintenance reserve (O&M) funding *
 - Deferred maintenance approaching \$200M *
 - Deferred maintenance includes needed system upgrades *

Note: These (*) issues were discussed at the April 14 BOV Retreat as high priority issues. Plans will be developed to address these as continuing budget line items starting in FY 2015, with a \$10M request to the state in FY 2014 as part of the VCU Capital Funding Plan request.



Challenge – Infrastructure

- IT systems, in particular, will need funding in the future:
 - No enterprise identity management system
 - VCU's network distribution within buildings, redundancy to key buildings, and connectivity to the Internet are marginal
 - No Managed Security Service Provider
 - VCU's central IT staffing is 50% lower than other major research institutions
 - Much research data is stored on local PCs and not backed up; VCU does not have an adequate, dedicated centrally managed data storage pool for a large volume of data
 - No central imaging system – only those departments with sufficient funding to pay for licenses have imaging capabilities
 - Outdated IT service management system
 - Until 2012, no site license for Microsoft suite of products

Note: The new CIO is developing proposed solutions following the IT Optimization Study and many of these needs are already in the process of assessment or review; based on immediate operating needs, these needs are not the primary focus of the FY 2014 budget recommendations, but must and will be addressed over time.

Challenge – Support for *Quest*



- VCU's austere financial situation showed up in resource constraints that *Quest* and VCU's current six-year plan addressed:
 - Faculty Salary levels (losing ground to other institutions)
 - Steady declines in the percentage of tenure-track faculty
 - Rising student-faculty ratios
 - Declining staff-student ratios for support employees
 - Low numbers of graduate assistantships and stipends for doctoral students
- VCU's six-year plan has guided budget, tuition and fee recommendations through strategic priorities:
 - Focus on academic quality and student success – retain more of our students and graduate them in a timely manner
 - Commitment to a high quality learning experience for students
 - Mandate for translational research that makes a difference

Challenge – Support for *Quest*



- The top funding priorities in the Six Year Plan are:
 - Increase in the number of full-time faculty and staff
 - Increase in faculty salaries to the 60th percentile of our national peers and/or comparable to the Commonwealth’s research universities
 - Increase in need-based financial aid for qualified students who are most at risk
 - Increase in square footage and enhanced technology for instruction and research
- FY 2014 budget development had to take into consideration significant “unavoidable” costs – mandated, legal, contractual and/or other required spending over which VCU has little or no discretion

Solutions – Market Based Tuition Pricing



- Over the past year, several tuition pricing structures have been explored to assess the impact of market-based models on revenue, student behavior, and student success.
- Huron Consulting Group assisted in reviewing options, including:
 - 1) Credit Hour Pricing – All Undergraduates
 - 2) Credit Hour Pricing – AY 2014 Incoming Freshmen & Transfers
 - 3) Cohort Based Pricing – AY 2014 Incoming Freshmen
 - 4) Program of Study Differentials
 - 5) Tuition Equivalent to Tier III Institutions
 - 6) Tuition Changes in Summer Semester
- An Internal Workgroup completed significant levels of tuition revenue modeling.
- To assess student reaction to the models, student focus groups and surveys were completed before and following the BOV retreat.
- Benchmarking and review of national practice completed.
- Heavy involvement with Financial Aid and Enrollment Management leadership.



Solutions – Operations

- In order to reallocate funds back to core academic needs, as defined by *Quest*, VCU's Six Year Plan and TJ21 legislation, senior management has also reviewed operational changes in FY 2014, including:
 - Creating a financially self-sustaining parking operation
 - Unifying all utility management across VCU (including auxiliaries)
 - Outsourcing all housekeeping operations (including Housing)
 - Unifying all maintenance activities (including Housing)
 - Focusing on shared service centers (financial/administrative)
 - Limiting external "sponsorship activities" across VCU
 - Mandating a single travel service provider for the institution
 - Ethnography Study of Disbursements, Collections and Treasury Services processes

Solutions – Operations



- With BOV support, if senior management were to restructure these major operational areas, annual financial benefits could be:
 - Self-sustaining parking operation - \$5M annually (5 year phase-in)
 - Unified utility management - \$1M annually in savings
 - Outsourced housekeeping - \$2M annually
 - Unified maintenance - \$1M annually
 - Shared service centers - operational efficiencies (phased in)
 - Limiting sponsorships - \$50K - \$100K annually
 - Single travel service - \$50K annually; safety/operational benefits
 - Disbursements, Collections and Treasury Services - study in process now

Solutions – Financial Management



- With BOV support, senior management has pursued opportunities for improved financial management for VCU and its related entities:
 - RFP process completed to competitively select financial partners
 - All VCU entities participated, with each allowed to opt in/out of process
 - Selected PFM as Financial Advisor and analytical modeling service
 - Recommendation for single investment management firm presented to BOV in May 2013, and to affiliated board through summer
 - Recommendation to move forward on single cash/treasury management firm will be presented to BOV by August 2013
 - Ultimate goal is to build a solid, uniform investment function for VCU
 - Successful transition will require significant BOV support
 - Successful transition will require affiliated boards' support

Solutions – Financial Management



- Actions taken by management in the past year have resulted in significant earnings and ongoing savings for VCU:
 - A study of spending and resulting improved cash management increased investment in higher yielding Short Duration Funds resulting in increased (and unexpected) revenues of approximately \$1.0M in FY 2013
 - Refunding outstanding debt reduced service costs by \$188K annually
 - Renegotiation of banking fees (with the weight of all VCU entities) has provided \$160K annually in savings for custody fees
 - Savings from negotiation with office supply contractor for printing supplies projected to generate savings of \$99K annually
 - IT Optimization has resulted in new “bundling” purchase program and negotiation of improved rebate structure to begin July 1, 2013
 - Travel service review has revealed opportunities for improvement

Activity Leading to 2014 Tuition and Budget Recommendations

Timeline – FY 2014 Recommendations

- August 2012 UBAC Holistic, Transparent Budget Process
- Nov 2012-Jan 2013 Internal Workgroup, Contract with Consultant
- Feb-Mar, 2013 Student Focus Groups and Survey w/ 15% return
Brief Council of Deans, Vice Presidents
- April 14, 2013 BOV Retreat
- April 15-30, 2013 Review of Proposals and Discussion within University Community
Discussions with individual BOV members
6 student Forum meetings (seeking suggestions, reactions, feedback)
Analysis of options for revenues and varying structures
Scrubbed analysis and implemented student support suggestions
Built penultimate T&F model for review by senior leadership
- May 1-9, 2013 Answer Final Questions
Briefed University Council
Created Final Budget Model and prepare Final Budget Book
- May 10, 2013 BOV vote on Tuition, Fees and Budget
- July 1, 2013 Implementation of approved Budget



Notes from Student Focus Groups and Surveys



- Huron Consulting Group held focus groups with students and formulated a survey that went to all VCU undergraduates about the tuition strategies under consideration
 - Strong participation in the survey (15%) provided good insight into student reaction to the various models
 - Upper/Lower Division pricing was found distasteful by VCU students
 - Increases to existing program differentials were not found to be feasible
 - A cohort based model, while intuitively appealing, was revealed to be problematic for many VCU students and unsustainable given VCU's lack of a strong endowment
 - Per Credit Pricing is understandable by students

Notes from Student Focus Groups and Surveys



- Students had insights about a per credit structure – understanding its difference from the current model and what should be done if VCU moved in that direction
 - “I agree that the more credits you take, obviously, the more you should pay.”
 - “Personally, my first semester, I signed up for 18 and ended up withdrawing from one of them and after the add/drop period, you don’t get your refund, so I think it’s kind of a failsafe, too, because a lot of people that sign up for all those credit hours, they end up dropping a class anyway . . . If I knew they were charging me per credit hour, I probably would not sign up for that many, most definitely.”
 - “I don’t think it’s fair for someone that’s taking 12 credits because they do have to pay, for them to be paying the same as somebody who is taking 18 credits. I don’t believe that’s fair.”

Notes from Student Focus Groups and Surveys



- “You should probably get to know more about the scholarship opportunities that are out there and the ways to pay for it, because most likely you’re going to be having more than 12 credits and it would make you consider what courses you need to take . . . You might need a little bit more research into your major and find out the requirements, so it’s not a huge surprise when it comes down to it.”
- “If this was the scenario, then they should probably streamline the majors or let you know prior if you want to add a major because otherwise it’s going to lower graduation rates. It’s going to make it harder to graduate in four years which would actually reflect badly on the school.”
- Existing students, accustomed to the current structure, indicated that they might change behavior and take fewer credits per semester under a new model.
- Students want clear checklists and timelines for degree requirements, financial aid and want to know where to go for student support services.

Post BOV Retreat Student Forums

- The Provost, SVP/COO and their teams met with 6 separate student focus groups in April and May following the BOV retreat to gain further insight into students' views on the following:
 - Tuition and E&G fee increases for continuing undergraduate and graduate students (in-state and out-of-state);
 - Per Credit Hour Tuition Structure for (1) all continuing and new undergraduate students, or (2) new students only;
 - Improving communications with students about changes in tuition and fees and other matters of importance generally;
 - Ongoing interactions with students about VCU budgets and plans.
- Students' responses were similar to the earlier focus groups and surveys, with additional insight provided that helped shape our recommendations.

Board Members and Students Asked



- At the retreat and in subsequent conversations, Board members emphasized the need to provide tools to students; focus groups provided similar direction.
- Existing and forthcoming resources will be better publicized:
 - MyTuition.vcu.edu (www.mytuition.vcu.edu)
 - Budgetupdate.vcu.edu (www.budgetupdate.vcu.edu)
 - Tuition and Fees Calculator website (www.enrollment.vcu.edu)
 - Financial Aid Checklist (www.enrollment.vcu.edu)
 - DegreeWorks
 - College Scheduler (coming Summer 2013)
- Additional materials will be developed to help students access courses and optimize credit-taking practices and added training for academic advisors.

FY 2014 Tuition & Fee and Budget Proposal

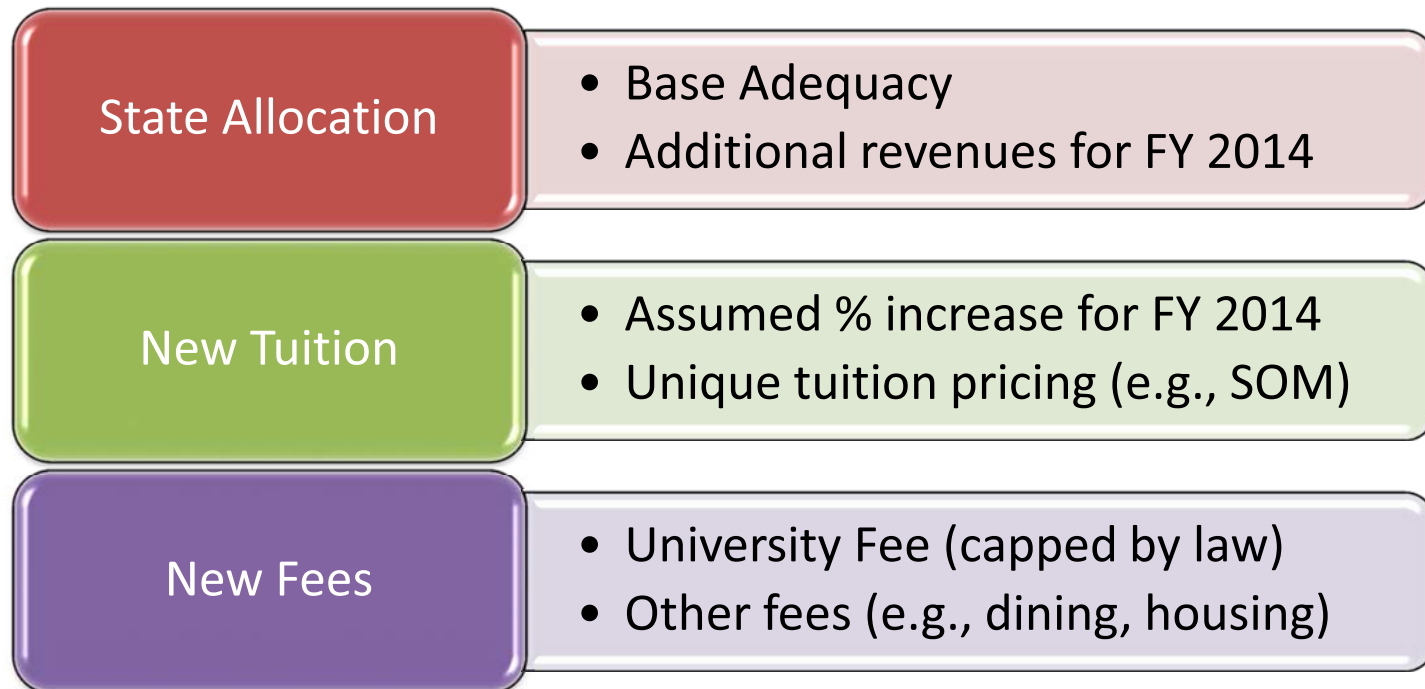


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FY 2014 E&G Budget Starting Point

At VCU, we build the budget with revenues that fall into 3 main categories:



FY 2014 E&G Budget – Starting Point



FY 2014 Central E & G Sources of Funding

	(\$ in millions)	
	<u>FY 2013</u>	<u>FY 2014</u>
State General Fund E&G Support *	150,550	158,441
Federal Stimulus	0	0
E&G Tuition prior to rate changes **	<u>321,784</u>	<u>325,210</u>
Total	472,334	483,651
Difference in Revenues compared to FY 2013		<u>11,317</u>

* Increased state general fund support includes funds appropriated in Item 206 and in Central Accounts; does not include financial aid or research funding

** Increased tuition revenues prior to rate changes due to enrollment changes; does not include course fee revenue changes due to enrollment

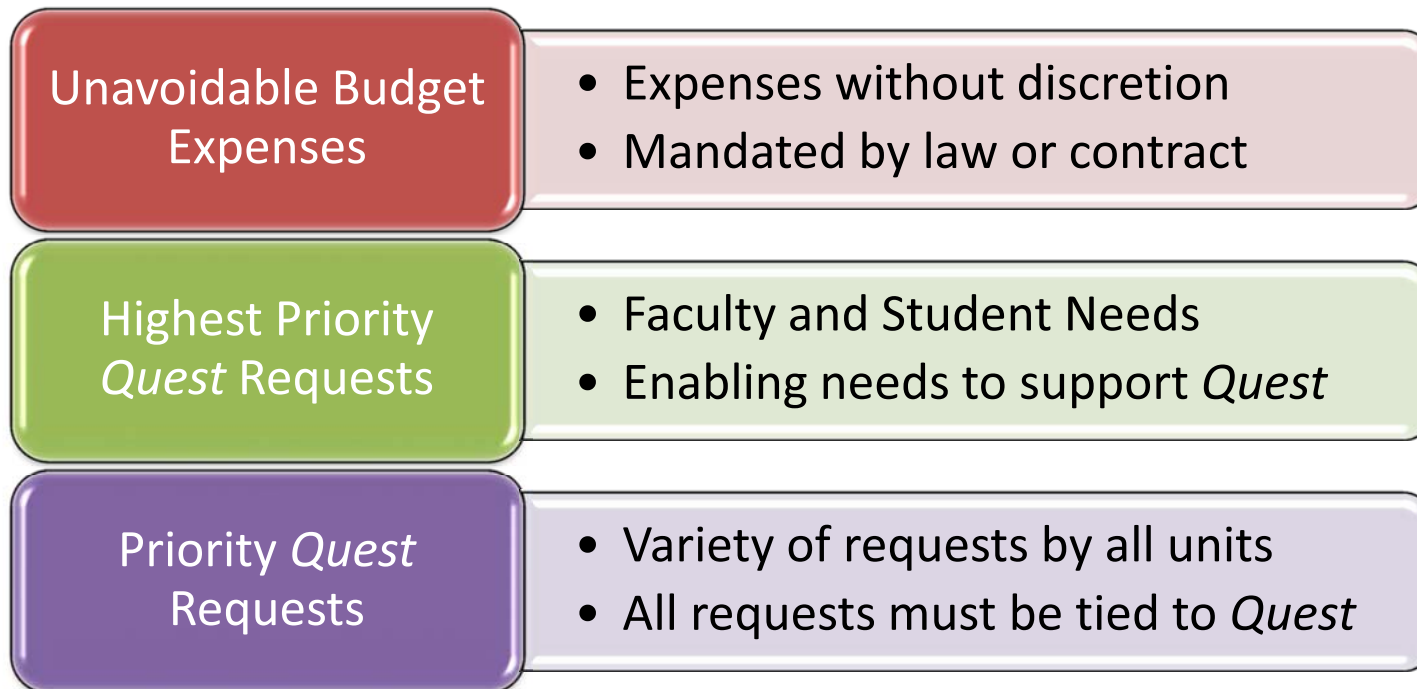
FY 2014 Central E&G Costs

	<u>FY 2014</u>
Total FY 2014 Unavoidable E&G Costs	16,570
Total FY 2014 Highest Priority E&G Requests	8,025
Total FY 2014 Priority E&G Requests	<u>27,372</u>
Total "Gap" - Additional Base Revenues - Total Requests	<u>(40,650)</u>

FY 2014 E&G Budget Starting Point



We have worked through a 9-month budget process with UBAC to arrive at a set of budget requests that fall into 3 main categories:



Unavoidable Costs – FY 2014



Unavoidable Costs		
	April	May
BioTech 1 Renovation Debt Service	225,000	210,875
Faculty Promotion and Tenure	111,022	111,022
NIH Salary Cap	210,871	210,871
State Mandated Faculty and Staff Salary Increases *	8,769,027	8,769,027
Fringe Benefit Increase *	4,425,789	4,367,891
Funding for EPTs	1,000,000	1,000,000
State Budget System	91,297	91,297
Costs for Line of Duty Employees*	7,054	7,054
Undergraduate Financial Aid *	1,146,631	1,146,631
VCU Cancer Center *	1,000,000	1,000,000
VCU Parkinson's Research *	250,000	250,000
VCU Alzheimer's Research *	125,000	125,000
VCU Palliative Care Research *	50,000	50,000
Pharmacy Compounding 2012 Session increase *	500,000	500,000
Utilities Cost Increases	271,871	271,871
Central Rent Charges	-102,874	-102,874
O&M for New Facilities Coming On-line	671,323	671,323
Contract Cost Increases	269,756	269,756
Mail Services Cost Increases	<u>16,500</u>	<u>16,500</u>
	19,038,267	18,966,244
Less costs funded outside E&G	<u>2,396,631</u>	<u>2,396,631</u>
	<u>16,641,636</u>	<u>16,569,613</u>

* State mandated. Some state funding (or all) provided
 The costs and the state funding for Undergraduate Financial Aid, Cancer, and Parkinson's Research costs will be budgeted in different programs.



Highest Priority Needs – FY 2014



Highest Priority Costs

	<u>April</u>	<u>May</u>
Faculty Lines	2,700,000	2,700,000
1% Salary Increase for T&R Faculty	1,326,213	1,326,213
Faculty Retention/Salary Pool	268,200	268,200
Global Education/Living Learning Community	241,019	241,019
4-year renewable scholarships to high achieving non-residents	500,000	500,000
Funding for Financial Aid	1,350,000	1,350,000
Diversity Scholarships	120,000	120,000
Gross Anatomy cadavers	74,773	74,773
Content Management System	60,000	60,000
Governor's School for Life Sciences & Medicine	30,000	30,000
VPR Request - Tech Transfer Support	93,870	93,870
Academic Support for Student Athletes	32,184	32,184
RamRide - Groome Shuttle Services	426,565	406,565
West Grace Street Office Building - Debt Service	836,870	806,810
Equifax/Security Breach	<u>30,000</u>	<u>15,000</u>
	8,089,694	8,024,634

Note: Senior management reviewed all requests again following the BOV retreat in April 2013, and thus the highest priority requests have decreased.



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Quest Priority Requests – FY 2014

VCU's priority funding requests support *Quest*

VPAA Requests - Wilder School; College of H&S; Honors College; Graduate School; Social Work; Education; Libraries	9,129,060
Diversity Requests - Programmatic and Personnel	262,345
VPHS Requests - Nursing; Medicine; Pharmacy; Allied Health; MCC; Dentistry	7,751,099
VPR Requests - Information Systems; Sponsored Programs; Research Subjects Protection; Animal Resources; Tech Transfer	4,149,299
Central Requests - University Relations; Assurance Services; Additional 1% Classified and A&P Faculty Salary Increase	2,015,582
Finance & Administration Requests - Technology Services; Procurement and Payment; Facilities Management	4,064,733
	<hr/> 27,372,118



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Bottom Line – FY 2014



- VCU faces a \$5.3M shortfall between known revenues and known “Unavoidable” costs for FY 2014.
- The gap between “Unavoidable “ costs and the “Highest Priority” requests and known revenues totals \$13.3M.
- Options for closing either or both of these funding gaps include:
 - Increasing the base tuition rate; and/or
 - Changing the tuition structure for all or some students; and/or
 - Implementing operational changes; and/or
 - Improving efficiencies across VCU.



Possible Tuition Model Option



For numerous reasons, senior leadership considered, but would not recommend, the following option as part of the Recommended Action(s). This concept is presented to the board for consideration given the level of analysis completed:

- Per credit hour tuition structure for **all undergraduate** students (freshmen, transfer, and continuing) in Fall 2013 with a 50% reduction at 15 credit hours and greater.
- There are positive and negative impacts and considerations to this option:
 - Revenue increase could be significant
 - Student push back could be significant
 - \$18,500,000 in new revenue net of discount and cost of scholarships
 - Would alter the structure for current and continuing students
 - Student forum feedback was not supportive for continuing students

Bottom Line – FY 2014



- Revenue from most sources are highly constrained, leaving VCU with an austere budget, especially for a research-level institution with an aspirational vision.
- For FY 2014, without at least a 4.0% tuition increase for continuing students and the implementation of new market-based tuition model, along with the reallocation of operational expenses to core academic needs, VCU will be constrained in moving forward with *Quest* and Six Year Plan priorities, beyond meeting unavoidable costs.
- We have been critically evaluating base budgets to align with VCU's academic mission and evaluating existing cost structures and changes needed for the next 5-25 years.
- New market-based tuition pricing may generate revenues to move into FY 2015, but must be paired with expense and revenue reallocations and new ways of thinking about current operational programs and services.



FY 2014 Revenue Proposal



Recommended Action: Increase base tuition rate for continuing students and change the tuition structure for new and incoming students and engage in operational changes and improve efficiencies in several areas:

1. Increase Base Tuition: Approve a \$314 increase for in-state undergraduate tuition with a similar percentage increase (4.0%) for other undergraduate and graduate students; approve increases to fees and unique first professional rates as noted on following slide and more completely in the Proposed Tuition and Fee and University Budget Plan FY 2013-14 (\$9,401,847 resulting revenue); and
2. Tuition Structure: Approve a per credit hour tuition model for new undergraduate students (freshmen and transfer) starting in the Fall 2013 and ongoing, with a 50% reduction in the per credit hour charge at 15 credit hours and greater (\$4,000,000 resulting revenue* net of discount and additional cost of scholarships); and
3. Operational Change: Approve outsourcing of housekeeping and centralization of maintenance staff and utility management for all auxiliaries and use the FY 2014 savings to cover Financial Aid needs (\$1,293,083 resulting revenue with higher savings expected in future years); and
4. Improve Efficiencies: Approve limitation of external sponsorships, unify and mandate travel services, continue IT optimization efforts per approved plan, continue improved financial management and oversight; approve the provision of \$1.0M in excess investment earnings from these types of efforts in FY 2013 to cover transition costs and “hardship” financial aid as needed during the transition to a per credit hour structure.



* Actual revenues will vary depending on student course-taking behavior

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FY 2014 Tuition and Fee Proposal



- **Recommended Action:** Adopt combined tuition and mandatory fees increases of:

<u>Percent Change</u>	<u>\$ Change</u>	<u>Student Classification</u>
4.19%	414	Continuing Virginia Undergraduates ¹
3.98%	951	Continuing Nonresident Undergraduate
4.18%	481	Resident Masters level students ²
3.98%	884	Nonresident Masters level students ²
4.21%	415	Resident Doctoral Students ²
3.98%	770	Nonresident Doctoral Students ²
1.95%	596	Resident Medicine ³
3.02%	1,375	Nonresident Medicine ³
9.96%	3,693	Resident Dentistry ⁴
6.60%	4,089	Nonresident Dentistry ⁴
4.19%	1,064	Resident Pharmacy
4.07%	1,467	Nonresident Pharmacy

¹ Typical Monroe Park Undergraduate, no program differentials

² Typical Monroe Park program

³ Medical Students M-I

⁴ First Year Dental Students

What Will Continuing Students Pay with Increase?

Regular Session

	Resident			Nonresident		
	2012-13	2013-14	\$ Chg.	2012-13	2013-14	\$ Chg.

Continuing Full-Time Students, On-Campus

Undergraduates Living In Private Housing

Monroe Park Campus

Tuition	\$7,860.00	\$8,174.00		\$21,275.00	\$22,126.00	
University Fee	\$1,657.46	\$1,757.46		\$1,657.46	\$1,757.46	
Technology Fee	\$83.00	\$83.00		\$83.00	\$83.00	
Health Service Fee	\$195.00	\$195.00		\$195.00	\$195.00	
Student Activity Fee	\$90.00	\$90.00		\$90.00	\$90.00	
Capital Outlay Fee	<u>n/a</u>	<u>n/a</u>		<u>\$612.00</u>	<u>\$612.00</u>	
Total	\$9,885.46	\$10,299.46	\$414.00	\$23,912.46	\$24,863.46	\$951.00

Undergraduates Living In University Housing

Monroe Park Campus

Tuition	\$7,860.00	\$8,174.00		\$21,275.00	\$22,126.00	
University Fee	\$1,657.46	\$1,757.46		\$1,657.46	\$1,757.46	
Technology Fee	\$83.00	\$83.00		\$83.00	\$83.00	
Health Service Fee	\$195.00	\$195.00		\$195.00	\$195.00	
Student Activity Fee	\$90.00	\$90.00		\$90.00	\$90.00	
Capital Outlay Fee	<u>n/a</u>	<u>n/a</u>		<u>\$612.00</u>	<u>\$612.00</u>	
Housing (1)	\$5,292.00	\$5,454.00		\$5,292.00	\$5,454.00	
Board (2)	<u>\$3,456.00</u>	<u>\$3,628.00</u>		<u>\$3,456.00</u>	<u>\$3,628.00</u>	
Total	\$18,633.46	\$19,381.46	\$748.00	\$32,660.46	\$33,945.46	\$1,285.00



(1) Representative charge for double occupancy.

(2) Assumes 200 block plan w/ \$300 per semester in "Dining Dollars".

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What Will New Students Pay in Per Credit Structure?

Regular Session

	Resident			Nonresident		
	2012-13	2013-14	\$ Chg.	2012-13	2013-14	\$ Chg.

New Full-Time Undergraduate Students as of Fall Semester 2013, On-Campus

Undergraduates Living In Private Housing

Monroe Park Campus

Tuition- 15 Credit Hours (1)	n/a	\$9,876.82		n/a	\$26,735.68	
University Fee	\$1,657.46	\$1,757.46		\$1,657.46	\$1,757.46	
Technology Fee	\$83.00	\$83.00		\$83.00	\$83.00	
Health Service Fee	\$195.00	\$195.00		\$195.00	\$195.00	
Student Activity Fee	\$90.00	\$90.00		\$90.00	\$90.00	
Capital Outlay Fee	<u>n/a</u>	<u>n/a</u>		<u>\$612.00</u>	<u>\$612.00</u>	
Total	n/a	\$12,002.28	n/a	n/a	\$29,473.14	n/a

Undergraduates Living In University Housing

Monroe Park Campus

Tuition- 15 Credit Hours (1)	n/a	\$9,876.82		n/a	\$26,735.68	
University Fee	\$1,657.46	\$1,757.46		\$1,657.46	\$1,757.46	
Technology Fee	\$83.00	\$83.00		\$83.00	\$83.00	
Health Service Fee	\$195.00	\$195.00		\$195.00	\$195.00	
Student Activity Fee	\$90.00	\$90.00		\$90.00	\$90.00	
Capital Outlay Fee	n/a	n/a		\$612.00	\$612.00	
Housing (2)	\$5,292.00	\$5,454.00		\$5,292.00	\$5,454.00	
Board (3)	<u>\$3,456.00</u>	<u>\$3,628.00</u>		<u>\$3,456.00</u>	<u>\$3,628.00</u>	
Total	n/a	\$21,084.28	n/a	n/a	\$38,555.14	n/a



(1) Tuition assumes 15 credit hours per semester, 30 credit hours for the year; although 12 credits per semester (24 credits per year) is considered full-time.

(2) Representative charge for double occupancy.

(3) Assumes 200 block plan w/ \$300 per semester in "Dining Dollars".

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Benchmarking for Per Credit Hour Structure

Do Other Institutions "Like" VCU Use a Per Credit Hour Tuition Structure?

<u>Institution</u>	<u>Carnegie Basic</u>	<u>Community Engagement</u>	<u>AAU</u>
University of Utah	RU/VH: Research Universities (very high research activity)	Curricular Engagement and Outreach and Partnerships	
University of Houston	RU/VH: Research Universities (very high research activity)	Curricular Engagement and Outreach and Partnerships	
University of Oregon	RU/VH: Research Universities (very high research activity)		YES
University of Oklahoma Norman Campus	RU/VH: Research Universities (very high research activity)		
Wayne State University	RU/VH: Research Universities (very high research activity)	Curricular Engagement and Outreach and Partnerships	
Michigan State University	RU/VH: Research Universities (very high research activity)	Curricular Engagement and Outreach and Partnerships	YES
University of Kansas	RU/VH: Research Universities (very high research activity)	Curricular Engagement and Outreach and Partnerships	YES
University of South Florida-Tampa	RU/VH: Research Universities (very high research activity)	Curricular Engagement and Outreach and Partnerships	
University of Central Florida	RU/VH: Research Universities (very high research activity)	Curricular Engagement and Outreach and Partnerships	
Colorado State University	RU/VH: Research Universities (very high research activity)	Curricular Engagement and Outreach and Partnerships	
University of Colorado at Boulder	RU/VH: Research Universities (very high research activity)		YES
University of Alabama at Birmingham	RU/VH: Research Universities (very high research activity)	Curricular Engagement and Outreach and Partnerships	
Indiana University - Purdue University - Indianapolis	RU/VH: Research Universities (very high research activity)	Curricular Engagement and Outreach and Partnerships	YES
Georgia State University	RU/H: Research University (high research activity)		
Portland State University	RU/H: Research University (high research activity)	Curricular Engagement and Outreach and Partnerships	
University of Toledo	RU/H: Research University (high research activity)		
Longwood University	Master's M: Masters Colleges and Universities (medium)		
Old Dominion University	RU/H: Research University (high research activity)		



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Sources and Uses in recommended E&G budget

FY 2014 Central E & G Sources of Funding

	(\$ in millions)	
	<u>FY 2013</u>	<u>FY 2014</u>
State General Fund E&G Support	150,550	158,441
Federal Stimulus	0	0
E&G Tuition prior to rate changes	321,784	325,210
E&G Tuition from rate changes		9,402
E&G Tuition from per credit hour structure		4,000
Total ¹	<u>472,334</u>	<u>497,053</u>
Difference in Revenues compared to FY 2013		<u>24,719</u>

FY 2014 Central E & G Costs

Total FY 2014 Unavoidable E&G Costs	<u>FY 2014</u> 16,570
Total FY 2014 Highest Priority E&G Requests	<u>8,025</u>
	24,595
Fund Student Financial Aid from savings accruing through outsourced housekeeping and centralized maintenance	<u>(1,350)</u>
	<u>23,245</u>
Balance for Priority E&G Requests	1,474



¹ FY 2014 E&G Tuition does not include changes in course fees

Attachments

Tuition Models



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Solutions – Credit Hour Tuition (All Students)

- Summary Each credit hour is priced separately vs. “block” pricing for 12-18 credit hours

- VCU Impact Positive inflow of additional revenue
- Student Impact Student pays for hours consumed
- Annual Revenue \$31.2M revenue potential*
- Potential “Melt” Dependent on discounts, support, and advising
- Advantages Provides more accurate information for use of VCU resources; encourages students to be purposeful in course-taking behavior
- Challenges Impact to lower SES students; ensuring students understand how tuition is charged; keeping students on track taking 15 credits per semester; providing tools to move to degree
- Considerations 72% of degree students take >12 credits per semester; discounting strategies; support to students



*Assumes reduction in gross revenues based on change in student course taking behavior.

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Solutions – Credit Hour Tuition (New Students)

- Summary Each credit hour is priced separately vs. “block” pricing for 12-18 credit hours

- VCU Impact Positive inflow of additional revenue
- Student Impact Student pays for hours consumed
- Annual Revenue \$4M net revenue potential*
- Potential “Melt” Dependent on discounts, support, and advising
- Advantages Provides more accurate information for use of VCU resources ; encourages students to be purposeful in course-taking behavior; would not impact existing students (only new to VCU)
- Challenges Impact to lower SES students; ensuring students understand how tuition is charged; keeping students on track taking 15 credits per semester; providing tools to move to degree
- Considerations 72% of degree students take >12 credits per semester; discounting strategies; support to students



*Assumes reduction in gross revenues based on change in student course taking behavior.

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Solutions – Cohort Based Pricing (New Students)

- Summary Students are guaranteed a set tuition rate for 4 years from the time of first enrollment

- VCU Impact Positive inflow of additional revenue
- Student Impact Student pays for hours consumed
- Annual Gross Revenue \$8.3-\$25.9M net revenue potential*
- Potential Melt Student Survey results to be discussed
- Advantages Provides more accurate information for student financial planning
- Challenges Students confused when fees increase; to work a significant first year increase required (W&M increase is 18.8%); to protect against any downturn in state funding a large endowment is necessary; works best with smaller, largely homogeneous student body
- Considerations VCU does not have a large endowment; VCU has the most diverse student body and the second largest institution, overall, in the Commonwealth



*Depending on the level tuition set for incoming cohort.

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Solutions – Program Differentials

- Summary Students in specific majors and/or schools would have a different “sticker price” for program(s)
-
- VCU Impact Potential to decrease revenue; leave VCU
 - Student Impact In 2010 potential existed in a few majors to institute/ increase differentials; VCU did so; strong student sentiment against that now
 - Annual Gross Revenue \$0-(\$62)M* potential reduction in revenue
 - Potential Melt Depends on major and program
 - Advantages Provides additional resources to those programs that cost more to produce a graduate
 - Challenges Impact on lower SES students; can create “haves” and “have nots” across academic units
 - Considerations Educate and communicate; if undertaken there should be significant time spent educating students regarding need/justification for differentials



*Revenue change depends on what programs implement differentials.

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Budget Background



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When is a Budget Strategic?

- When the budget:
 - Demonstrates factual awareness of current circumstances and needs;
 - Benchmarks with competitors, peers, and aspirants;
 - Identifies strategic priorities and goals;
 - Is based on objectives, action steps, assignments, and long-range plan;
 - Measures progress with strategic indicators;
 - Undergoes annual assessment, with the results made public;
 - Contains “what if” scenarios; and
 - Includes plan achievement as an indicator of the CEO’s (and perhaps others’) performance.



Source: Kent John Chabotar, “Orchestrating Change,” Business Officer Magazine (July/August 2012), p. 84

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Academic Units' Budgets Vary – Detail

School of the Arts	Fiscal Year 2013 Expenditure Budget	Percent of Expenditures
Personal Services		
Salaries	\$ 11,689,273	45.56%
Wages	2,301,089	8.97%
Fringes	3,423,369	13.34%
Total Personal Services	\$ 17,413,731	67.87%
Contractual Services		
Contractual Services	\$ 3,819,928	14.89%
Honorariums and Awards	15,000	0.06%
Mgmt Consultant Services	5,000	0.02%
Printing and Mailing	21,930	0.09%
Professional Services	1,800	0.01%
Telephone and Network Costs	9,942	0.04%
Total Contractual Services	\$ 3,873,600	15.10%
Equipment	66,613	0.26%
Maintenance and Repairs	5,721	0.02%
Operating Leases	4,290	0.02%
Other	1,205,410	4.70%
Scholarships and Fellowships	65,898	0.26%
Supplies	2,868,702	11.18%
Travel and Education	154,919	0.60%
Total Expenditure Budget	\$ 25,658,884	100.00%

Academic Units' Budgets Vary - Detail

School of Social Work	Fiscal Year 2013 Expenditure Budget	Percent of Expenditures
Personal Services		
Salaries	\$ 3,947,527	70.41%
Wages	400,559	7.14%
Fringes	<u>967,334</u>	<u>17.25%</u>
Total Personal Services	<u>\$ 5,315,420</u>	<u>94.81%</u>
Contractual Services		
Contractual Services	\$ 138,890	2.48%
Printing and Mailing	5,060	0.09%
Telephone and Network Costs	<u>20,788</u>	<u>0.37%</u>
Total Contractual Services	<u>\$ 164,738</u>	<u>0.84%</u>
Supplies	54,079	0.96%
Travel and Education	<u>71,931</u>	<u>1.28%</u>
Total Expenditure Budget	<u>\$ 5,606,168</u>	<u>100.00%</u>

Legal Framework and BOV Duties

Board of Visitors Legal Requirements



- Board of Visitor Bylaws – § 3.02(d)(2)(3)(5)(8) Duties
 - The Finance, Investment and Property Committee shall oversee policies involved in University **financial, investment, and debt management** and facilities planning, construction and renovation, physical plant, and equipment and shall make recommendations on matters relating to these areas to the Board
 - In addition to the special responsibilities that the Board may, from time to time, assign to the Committee, the **Committee shall have** the following specific responsibilities:
 - Review **financial assumptions** upon which **budgets** are based

Board of Visitors Legal Requirements

- Board of Visitor Bylaws – § 3.02(d)(2)(3)(5)(8) Duties
 - Review the **six-year financial plan** and **operating budget**
 - Review **tuition** and **fee** charges
 - Serve as an **investment committee and oversee University investment policies** and activities including direct management of the University's cash investment pool and **monitoring of the policies and activities of the University-related private foundations.**

Board of Visitors Legal Requirements

- Commonwealth of Virginia – § 64.2 Uniform Prudent Management of Institutional Funds (UPMIFA) Act
 - UPMIFA applies to the investment of endowment funds, but also provides a framework for an institution’s investment of operating funds:
 - A. An institution, in managing and investing an institutional fund, **shall consider** the . . . **purposes of the institution**. . .
 - 1. In managing and investing an institutional fund, the following factors, if relevant, shall be considered:
 - a) General economic conditions;

. . .

Board of Visitors Legal Requirements

- d) The role that **each investment** or course of action plays within the overall . . . portfolio of the fund;
 - e) The **expected total return** from income and the appreciation of investments;
 - h) An **asset's special relationship** or special value, if any, to the . . . **purposes of the institution**
2. **Management** and investment **decisions** about an individual asset shall be made not in isolation but rather **in the context of the institutional fund's portfolio of investments as a whole and as a part of an overall investment strategy** having risk and return objectives reasonably suited to the fund and to the institution.

Board of Visitors Legal Requirements

- Commonwealth of Virginia – § 23-38.87:10 Virginia Higher Education Opportunity Act of 2011
 - By July 1 of each odd-numbered year, the governing board shall adopt a six-year plan and submit that plan to the Commonwealth
 - By July 1 of each even-numbered year the governing board shall submit an affirmation of, or amendments to, the plan to the Commonwealth
 - Or at any other time permitted by the Governor or General Assembly – timing is being delayed in 2012
 - The Commonwealth shall review each institution's plan or amendments and provide comments by September 1.

Board of Visitors Legal Requirements

- Each plan shall address the institution's academic, financial, and enrollment plans, including the number of Virginia and out-of-state students, for the six-year period and shall include:
 - Financial planning reflecting the institution's anticipated level of general fund, tuition, and other nongeneral fund support for each year of the next biennium
 - The plan also has to include the anticipated annual tuition and E&G fee charges required by: (i) degree level, and (ii) domiciliary status and shall indicate the planned use of any projected increase in general fund, tuition, or other ngf revenues.
- Also noteworthy are governance requirements of HB 1952, approved in the 2013 Session (guidance provided previously).

Efficiencies and Operational Savings Examples

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Enrollment Services
 - Document imaging
 - Web-based access to student information
 - One-stop student services venue
- Financial Aid
 - Electronic delivery of alternative funds
- Student Accounting
 - Redesigned refund process
 - On-line billing and payment
- University Student Health Services
 - Electronic health records

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Residential Life & Housing
 - On-line payment system
 - On-line student housing selection and registration system
- University Student Commons & Activities
 - Web-based reservation system
 - Web-based time keeping system
- Business Services
 - Invoice imaging: invoices are imaged and electronically linked to the University's financial system
 - Integration of procurement and financial systems
 - Cooperative procurement contracting (VCU and 8 other institutions)
 - Systematic review of University's vendor purchases
 - Office Supply Contract: Hewlett Packard Cost Savings

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Treasury Services
 - Bond refundings
 - Renegotiated banking custody fees across the VCU entities
 - Investment Management practices
- Controller
 - PI Dashboard with School of Medicine to streamline review and ensure compliance
 - Web-based training
 - Web-based policy availability
- Budget & Resources
 - On-line services
 - Web-based resources

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Business Services
 - Employee training through web-based systems
 - Textbook rentals
 - “Ghost Card” implementation for vendors
 - Outsourced check-writing for A/P payments
- Facilities Management
 - Design assist (mechanical/electrical contractors on board at start)
 - Building information modeling (building system modeling during design)
 - Laser mapping of building utilities
 - Facilities design standards
 - LEED silver standard for building construction
 - Construction manager at risk program
 - Installed LED lighting in parking decks

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Facilities Management
 - Solar photovoltaic hot water systems for dining hall
 - Photovoltaic power for parking deck lighting
 - Commissioning of mechanical systems
 - Pre-qualified contractors and material testing firms
 - Benchmarking facilities management against peer institutions
 - Benchmarking sustainability program
 - Integrated Central Mechanical Electrical (CME) Group
 - Zone-Based organization of physical plant crews
 - Work order tracking and management system
 - Just In Time (JIT) purchasing of supplies
 - Computerized bar code system for fire protection systems
 - Consolidation of hazardous material storage
 - Composting of all organic waste

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Human Resources
 - Single semi-monthly pay cycle
 - Automated ePAF processes
 - PeopleAdmin (paperless position description and recruitment/application processing)
 - HireRight (on-line background checks initiated by department personnel administrators for new hires)
 - Document imaging (paperless files and processing using imaged documents)
 - eW2 (paperless tax forms)
 - Pay cards for those who will not use direct deposit
 - On-line HR training and orientations
 - Automated leave processes
 - Shared Personnel Administrators for F&A

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Technology Services
 - Outsourced student email
 - IT Optimization Task Force
 - Migrating to outsourced faculty and staff email
 - Call queue monitors at help desk
 - Videoconferencing
 - Remote monitoring of classroom technology
 - Centralized desktop and server system for security, operating systems and applications management
 - Central management of web-based content

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Technology Services
 - Storage Area Network (SAN): central management of data and storage
 - Centralized network management of 2,000 network devices from a central console
 - "Tech Squad" of students to improve classroom technology support
 - Laptop checkout program
 - Virginia virtual computing lab (with GMU, JMU and W&M)
 - Site license management processes
 - Mobile apps for handheld devices (e.g., courses, maps, calendar, GPS)
 - Server virtualization