



**Proposed  
2007-08 Tuition and Fees  
and  
University Budget Plan**

Virginia Commonwealth University  
Board of Visitors

April 12, 2007

# We are seeking approval of the University budget and tuition and fees for 2007-08. Defining factors include:

- State appropriations:
  - Compensation
  - Base adequacy
  - Financial aid
  - Research
- Need to keep tuition increases moderate
- Need to serve projected headcount enrollment of over 31,300
- Need to continue implementing the 2020 Plan:
  - Strengthened academic programs, particularly in graduate studies
  - Additional support for financial aid
- 2020 Plan (cont'd):
  - Support for Focused Inquiry curriculum
  - Strengthened library collections
  - Enhanced research activities
  - Initiatives in Life Sciences, Medicine and Law, and International Programs
  - Competitive compensation
  - Funding for student recreation, dining, and parking facilities
- Funding for unavoidable cost increases:
  - New facilities coming on-line
  - State service charges

Revenue from all sources is projected to total \$766.8 million for 2007-08. Budgeted uses are projected at \$762.8 million.

<i>in thousands</i>	2006-07 Budget	2007-08 Budget Plan	% Change Over 2006-07	\$ Change Over 2006-07
<b>Sources</b>				
State General Fund Revenue *	\$ 204,886	\$ 221,925	8.3%	\$ 17,039
Nongeneral Fund Revenue				
Student Tuition and Fees	\$ 238,311	\$ 259,699	9.0%	\$ 21,388
Grants and Contracts	165,337	169,834	2.7%	4,497
Sales and Services	76,463	82,607	8.0%	6,144
Other	27,537	32,696	18.7%	5,159
Total Nongeneral Fund Revenue	<u>\$ 507,648</u>	<u>\$ 544,836</u>	7.3%	<u>\$ 37,188</u>
<b>Total Sources</b>	<u>\$ 712,534</u>	<u>\$ 766,761</u>	7.6%	<u>\$ 54,227</u>
<b>Uses</b>				
Instruction	\$ 278,199	\$ 302,513	8.7%	\$ 24,314
Research and Public Service	131,275	136,804	4.2%	5,529
Academic, Student and Institutional Support	111,353	116,642	4.7%	5,289
Operation and Maintenance of Plant	42,697	46,261	8.3%	3,564
Scholarships and Fellowships	37,940	41,448	9.2%	3,508
Auxiliary Enterprises	87,906	98,426	12.0%	10,520
Hospital Services	14,939	15,894	6.4%	955
Reserves and Contingencies	4,677	4,827	3.2%	150
<b>Total Uses</b>	<u>\$ 708,986</u>	<u>\$ 762,815</u>	7.6%	<u>\$ 53,829</u>
<b>Budget Balance</b>	<u>\$ 3,548</u>	<u>\$ 3,946</u>		<u>\$ 398</u>

\* Includes student financial assistance program.



# Key features of the budget include. . .

- **Educational and General Programs: \$33.2M increase over 2006-07**
  - \$13.9M increase in state general fund support.
  - \$15.1M increase in tuition and fee revenue, based on proposed rates and planned enrollment growth.
    - About \$7.2M of tuition revenue is required to match the state general fund increase.
  - \$4.2M increase in sales and services; \$4M is for the Qatar Campus.
  - 74% of new resources will be allocated to the primary mission – instruction, research and public service.
- **Sponsored Programs: \$4.8M projected increase from 2006-07**
  - Reflects moderate growth in federal research funding.
  - Includes \$1M in state general funds for cancer research.
  - Continues implementation of the School of Medicine research plan.

## Key features (cont'd). . .

- **Auxiliary Enterprise Programs: \$11.1M increase over 2006-07**
  - \$7.4M increase in revenue.
  - \$3.7M increase in use of balances.
  - \$3.6M addition to reserves, including an additional \$1.5M for new student recreational facilities.
- **Student Financial Assistance: \$2.7M increase over 2006-07**
  - \$2.1M in increased state support for undergraduate aid and \$649,000 estimated increase in federal and other programs.
- **University Funds: \$1.4M increase over 2006-07**
- **Hospital Services: \$955,000 increase over 2006-07**

# Proposed Tuition and Fee Increases for 2007-08

# The proposed tuition increase for resident undergraduate students is 6.0 percent.

- General Assembly established a Tuition Incentive Fund with total funding of \$7.2 million.
- Allocations will be made to institutions that limit tuition and mandatory E&G fee increases to 6.0%.
- VCU's potential allocation from the fund is \$1,041,949.
- With a 6.0% increase, tuition and fees for resident undergraduates will remain the lowest among Virginia's doctoral institutions.
  - Over the past five years, only VMI and NSU have raised tuition by a lower percentage than VCU.

# Similar tuition increases are proposed for other student groups.

	Resident	Nonresident*
Undergraduates	6.0%	6.0%
Graduates	6.5%	0.0%

\*Nonresident students will also be subject to a \$48 increase in the capital outlay fee, the proceeds from which will be transferred to the State.





Undergraduate tuition and fees for Virginia residents will remain the lowest among doctoral institutions; they are in the mid-range for graduates.

2006-07 Resident Tuition and Fees\*

Undergraduate		Graduate	
CWM	\$8,490	UVA	\$10,550
UVA	\$7,845	CWM	\$9,414
VT	\$6,973	VT	\$8,540
GMU	\$6,408	<b>VCU</b>	<b>\$8,341</b>
JMU	\$6,290	GMU	\$7,380
ODU	\$6,098	ODU	\$7,028
<b>VCU</b>	<b>\$5,819</b>	JMU	\$6,336

\*Includes tuition and all required E&G and non-E&G fees.



For nonresidents, tuition and fees are in the lower half for both undergraduates and graduates.

2006-07 Nonresident Tuition and Fees\*

Undergraduate		Graduate	
UVA	\$25,945	CWM	\$22,238
CWM	\$25,048	UVA	\$20,550
VT	\$19,049	GMU	\$18,552
GMU	\$18,552	JMU	\$17,832
<b>VCU</b>	<b>\$17,616</b>	<b>VCU</b>	<b>\$17,582</b>
ODU	\$16,658	ODU	\$17,358
JMU	\$16,236	VT	\$14,057

\*Includes tuition and all required E&G and non-E&G fees.



# VCU's ranking for resident undergraduates rises when room and board costs are included.

## 2006-07 Total Undergraduate Charges\*

Resident		Nonresident	
CWM	\$15,676	UVA	\$32,854
UVA	\$14,754	CWM	\$32,234
GMU	\$13,158	GMU	\$25,302
<b>VCU</b>	<b>\$13,082</b>	<b>VCU</b>	<b>\$24,879</b>
JMU	\$13,046	VT	\$23,815
ODU	\$12,298	JMU	\$22,992
VT	\$11,739	ODU	\$22,858

\*Includes tuition, all required E&G and non-E&G fees and University room and board charges.



Increases are recommended for several specialized programs on the Monroe Park Campus, with additional revenue returned to the program. . .

	Resident		Nonresident	
	Tuition	% Chg.	Tuition	% Chg.
Adcenter*				
1st year	\$19,180	15.8%	\$19,348	16.0%
2nd year	\$18,180	9.8%	\$18,348	10.0%
Engineering (6% + \$500)	\$5,864	15.9%	\$17,888	9.0%
Fast Track MBA*	\$40,500	5.2%	\$40,500	5.2%
SportsCenter*	\$16,650	4.1%	\$16,650	4.1%

\* Includes tuition and mandatory fees.



## ... and on the MCV Campus

	Resident		Nonresident	
	Tuition	% Chg.	Tuition	% Chg.
Medicine				
1st year	\$25,390	6.5%	\$38,892	4.2%
2nd & 3rd year	\$24,436	2.5%	\$37,922	1.6%
4th year	\$23,992	2.5%	\$37,922	1.6%
Dentistry	\$15,498	6.5%	\$31,060	0.0%
PharmD	\$18,080	6.5%	\$23,940	0.0%
Doctor of Nurse				
Anesthesia Practice*	\$3,500	n/a	\$3,500	n/a

*(\*In addition to MS Nurse Anesthesia tuition)*

# Relatively modest increases are proposed for housing, dining, health services, and parking. . .

- **Housing:** Rate increases range from 5.2% to 5.4%
  - Proposed rate increases average about 5.3%
  - Part of the increase is driven by new MPCA housing
  - Room charge for double occupancy in Gladding Phase II would be \$4,497
- **Dining:** Rate increases range from 2.0% to 2.9%
  - Rates for the most popular plan – 200 block plan with \$300 in Dining Dollars – would increase by 2.7% to \$3,070
- **Health Service:** Rate would increase 2.9% (\$5) for a full-time charge of \$176
- **Parking:** Proposed rates range from no increase to 7.7%
  - Student commuter rates for decks and on-campus lots reflect an increase of 3.2% to \$160 per semester
  - Daily rates will increase by 7.7% to \$3.50

# Increases are also recommended for the University Fee.

- **University Fee:** A 9.1% increase is proposed for the University Fee. The additional revenue will be used for:
  - New student recreation facilities on both campuses
  - Two new parking decks
    - Monroe Park Campus Addition
    - Planned deck at Belvidere and West Grace Streets
  - Strengthened student counseling services
  - Intercollegiate athletics, including women's sports, athletics' staffing, and increases in grants for student athletes
- No increases are proposed for the Technology Fee or Student Activity Fee.

# In summary, the 2007-08 recommended tuition and fee rates provide moderate increases for undergraduates. . .

Undergraduates	Residents			Nonresidents		
	2006-07	2007-08	Change	2006-07	2007-08	Change
Tuition	\$4,227	\$4,482	6.0%	\$15,904	\$16,858	6.0%
University Fee	\$1,288	\$1,405	9.1%	\$1,288	\$1,405	9.1%
Technology Fee	\$43	\$43	0.0%	\$43	\$43	0.0%
Health Service Fee	\$171	\$176	2.9%	\$171	\$176	2.9%
Student Activity Fee	\$90	\$90	0.0%	\$90	\$90	0.0%
Capital Outlay Fee	n/a	n/a	n/a	\$120	\$168	40.0%
Subtotal	\$5,819	\$6,196	6.5%	\$17,616	\$18,740	6.4%
Housing (1)	\$4,273	\$4,497	5.2%	\$4,273	\$4,497	5.2%
Board (2)	\$2,990	\$3,070	2.7%	\$2,990	\$3,070	2.7%
Total	\$13,082	\$13,763	5.2%	\$24,879	\$26,307	5.7%

(1) Representative charge for double occupancy.

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





## ... and graduate students

Graduates	Residents			Nonresidents		
	2006-07	2007-08	Change	2006-07	2007-08	Change
Tuition	\$6,783	\$7,224	6.5%	\$15,904	\$15,904	0.0%
University Fee	\$1,288	\$1,405	9.1%	\$1,288	\$1,405	9.1%
Technology Fee	\$43	\$43	0.0%	\$43	\$43	0.0%
Health Service Fee	\$171	\$176	2.9%	\$171	\$176	2.9%
Student Activity Fee	\$56	\$56	0.0%	\$56	\$56	0.0%
Capital Outlay Fee	n/a	n/a	n/a	\$120	\$168	40.0%
<b>Total</b>	<b>\$8,341</b>	<b>\$8,904</b>	<b>6.7%</b>	<b>\$17,582</b>	<b>\$17,752</b>	<b>1.0%</b>

# Proposed 2007-08 University Budget Plan

# For 2007-08, estimated sources and uses represent a 7.6% increase over the budget for 2006-07.

<i>in thousands</i>	2006-07 Budget	2007-08 Budget Plan	% Change Over 2006-07	\$ Change Over 2006-07
<b>Sources</b>				
State General Fund Revenue *	\$ 204,886	\$ 221,925	8.3%	\$ 17,039
Nongeneral Fund Revenue				
Student Tuition and Fees	\$ 238,311	\$ 259,699	9.0%	\$ 21,388
Grants and Contracts	165,337	169,834	2.7%	4,497
Sales and Services	76,463	82,607	8.0%	6,144
Other	27,537	32,696	18.7%	5,159
Total Nongeneral Fund Revenue	<u>\$ 507,648</u>	<u>\$ 544,836</u>	7.3%	<u>\$ 37,188</u>
<b>Total Sources</b>	<u>\$ 712,534</u>	<u>\$ 766,761</u>	7.6%	<u>\$ 54,227</u>
<b>Uses</b>				
Instruction	\$ 278,199	\$ 302,513	8.7%	\$ 24,314
Research and Public Service	131,275	136,804	4.2%	5,529
Academic, Student and Institutional Support	111,353	116,642	4.7%	5,289
Operation and Maintenance of Plant	42,697	46,261	8.3%	3,564
Scholarships and Fellowships	37,940	41,448	9.2%	3,508
Auxiliary Enterprises	87,906	98,426	12.0%	10,520
Hospital Services	14,939	15,894	6.4%	955
Reserves and Contingencies	4,677	4,827	3.2%	150
<b>Total Uses</b>	<u>\$ 708,986</u>	<u>\$ 762,815</u>	7.6%	<u>\$ 53,829</u>
<b>Budget Balance</b>	<u>\$ 3,548</u>	<u>\$ 3,946</u>		<u>\$ 398</u>

\* Includes student financial assistance program.



# Basic elements of the proposed 2007-08 budget address. . .

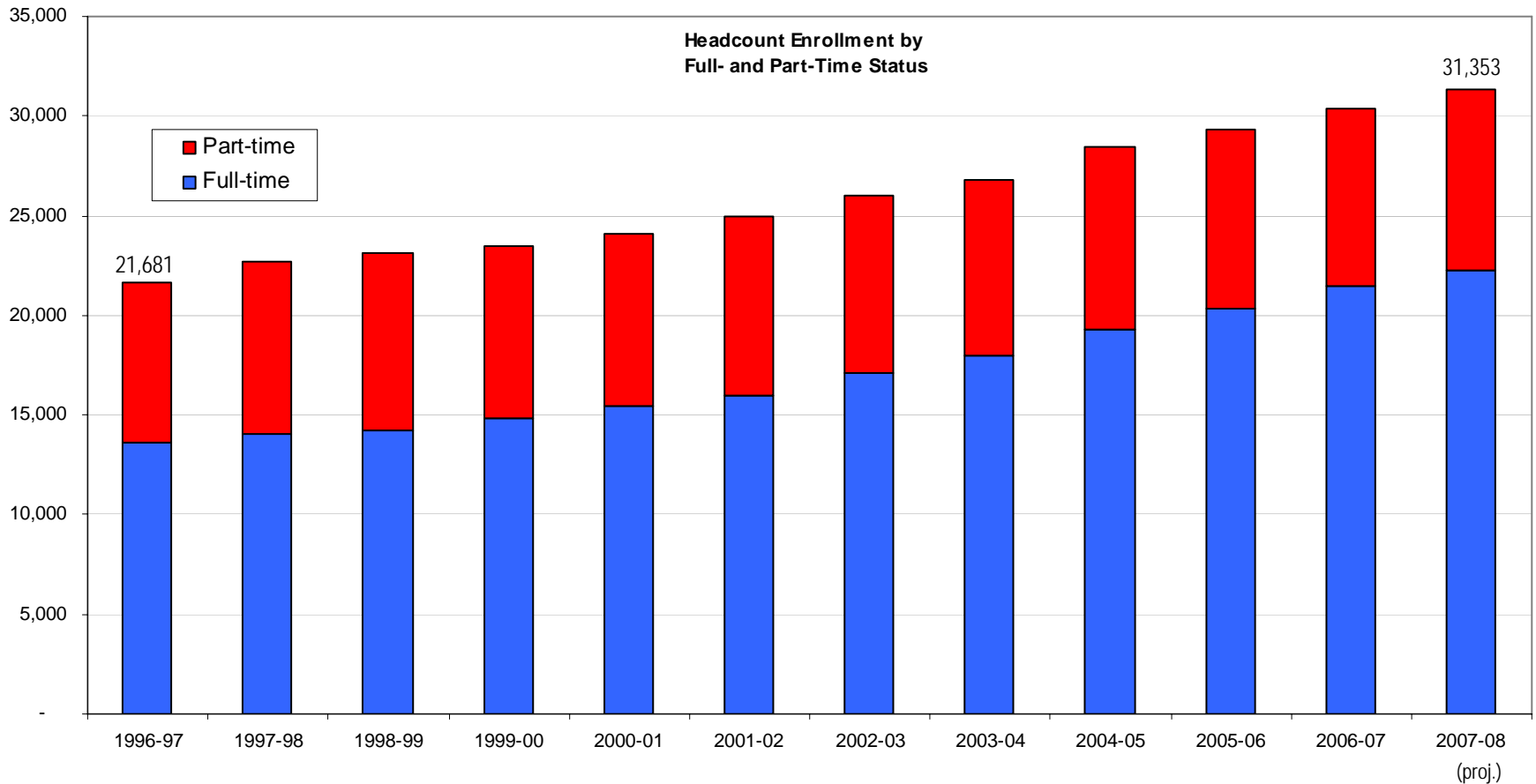
- **Institutional priorities:** Focused Inquiry Curriculum, University Libraries, Life Sciences, Engineering, International Programs, Center for Law and Medicine, and Research.
- **Instruction:** Additional faculty positions to support enrollment growth and graduate education.
- **Student access:** Modest tuition increases, additional graduate assistantships, and 9.2% increase in student financial assistance.
- **Competitive compensation:** 4% increase for faculty; 4% increase for classified staff; an additional state-funded salary increase for nursing faculty.
- **Core support needs:** Technology, Campus Police, Admissions, Human Resources, Finance, Advancement, and External Relations.
- **Unavoidable costs:** New facilities coming on-line, rent, insurance, and maintenance requirements.
- **Auxiliary enterprises:** Student programs, recreational facilities, parking decks and land acquisition.

# The budget is based on projected enrollment of 31,353 headcount students.

Headcount	Actual Fall 2006 (FY07)			Projected Fall 2007 (FY08)			Change Fall 2006 to 2007		
	Resident	Nonresident	Total	Resident	Nonresident	Total	Resident	Nonresident	Total
<b>On-Campus</b>									
Undergraduate	17,689	1,681	19,370	18,072	1,863	19,935	383	182	565
Special Undergraduate	908	218	1,126	908	218	1,126	-	-	-
Graduate	3,199	1,136	4,335	3,369	1,198	4,567	170	62	232
Special Graduate	490	78	568	490	78	568	-	-	-
First Professional	1,050	521	1,571	1,112	545	1,657	62	24	86
<b>Total On-Campus</b>	<b>23,336</b>	<b>3,634</b>	<b>26,970</b>	<b>23,951</b>	<b>3,902</b>	<b>27,853</b>	<b>615</b>	<b>268</b>	<b>883</b>
<b>Off-Campus</b>	<b>3,110</b>	<b>301</b>	<b>3,411</b>	<b>3,420</b>	<b>80</b>	<b>3,500</b>	<b>310</b>	<b>(221)</b>	<b>89</b>
<b>Total Headcount</b>	<b>26,446</b>	<b>3,935</b>	<b>30,381</b>	<b>27,371</b>	<b>3,982</b>	<b>31,353</b>	<b>925</b>	<b>47</b>	<b>972</b>
<b>Annual FTE</b>	<b>21,732</b>	<b>3,739</b>	<b>25,471</b>	<b>22,264</b>	<b>4,016</b>	<b>26,280</b>	<b>532</b>	<b>277</b>	<b>809</b>
<b>First-Time Freshmen</b>	<b>3,138</b>	<b>402</b>	<b>3,540</b>	<b>3,247</b>	<b>426</b>	<b>3,673</b>	<b>109</b>	<b>24</b>	<b>133</b>
<b>Transfer Students</b>	<b>1,609</b>	<b>143</b>	<b>1,752</b>	<b>1,586</b>	<b>143</b>	<b>1,729</b>	<b>(23)</b>	<b>-</b>	<b>(23)</b>



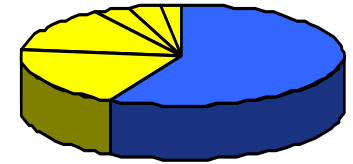
# Over the past eleven years, headcount enrollment has increased 45%.



# Our discussions today will focus around the six programs in the University's operating budget. . .

- Education and General Programs
- Sponsored Programs
- Auxiliary Enterprise Programs
- Student Financial Assistance
- University Funds
- Hospital Services

# Educational and General Programs (E&G)



- Core instructional programs and related support services.
  - 57% of the total University budget.
- Primary sources of support come from state general fund appropriations and student tuition and fees.
- \$439.7M for 2007-08 – 8.2% increase above 2006-07 (+\$33.2M).



Over 71% of new E&G resources will be directed to instruction; 74% will be directed to instruction, research, and public service. . .

<i>in thousands</i>	2006-07 Budget	2007-08 Budget Plan	% Change Over 2006-07	\$ Change Over 2006-07
<b>Sources</b>				
State General Fund Revenue *	\$ 185,896	\$ 199,878	7.5%	\$ 13,982
Nongeneral Fund Revenue				
Student Tuition and Fees	\$ 178,143	\$ 193,293	8.5%	\$ 15,150
Grants and Contracts	8,222	8,100	-1.5%	(122)
Sales and Services	33,940	38,108	12.3%	4,168
Other	354	354	0.0%	-
Total Nongeneral Fund Revenue	<u>\$ 220,659</u>	<u>\$ 239,855</u>	8.7%	<u>\$ 19,196</u>
<b>Total Sources</b>	<u><u>\$ 406,555</u></u>	<u><u>\$ 439,733</u></u>	8.2%	<u><u>\$ 33,178</u></u>
<b>Uses</b>				
Instruction	\$ 240,828	\$ 264,485	9.8%	\$ 23,657
Research	9,710	10,446	7.6%	736
Public Service	6,274	6,413	2.2%	139
Academic Support	55,077	58,299	5.8%	3,222
Student Services	9,669	10,798	11.7%	1,129
Institutional Support	40,760	41,399	1.6%	639
Operation and Maintenance of Plant	37,179	40,283	8.3%	3,104
Scholarships and Fellowships	4,456	5,008	12.4%	552
Reserves and Contingencies	2,602	2,602	0.0%	0
<b>Total Uses</b>	<u><u>\$ 406,555</u></u>	<u><u>\$ 439,733</u></u>	8.2%	<u><u>\$ 33,178</u></u>

\* Includes both direct appropriations and estimated central transfers.

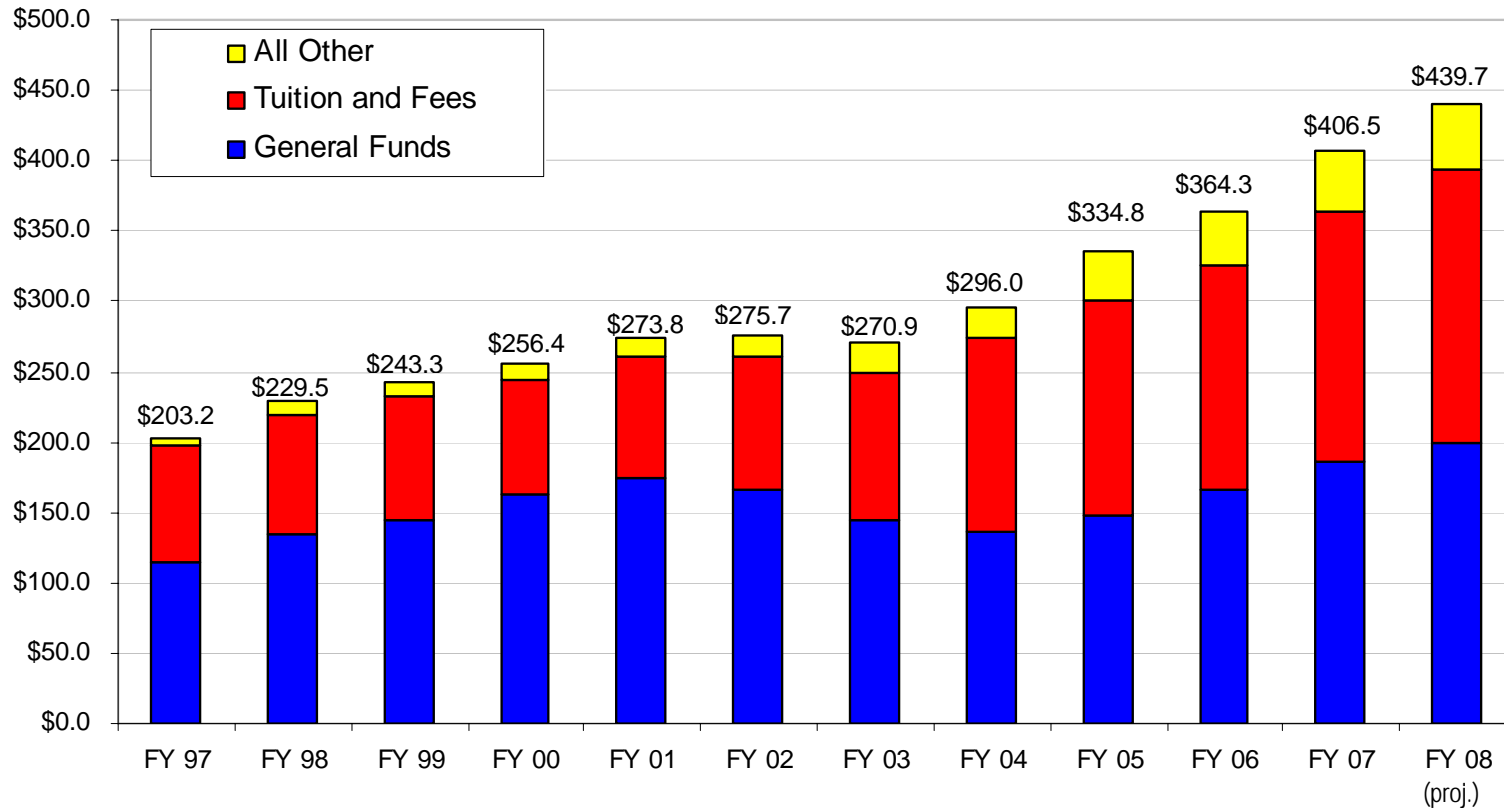
Budget Document: II-1

**VCU**

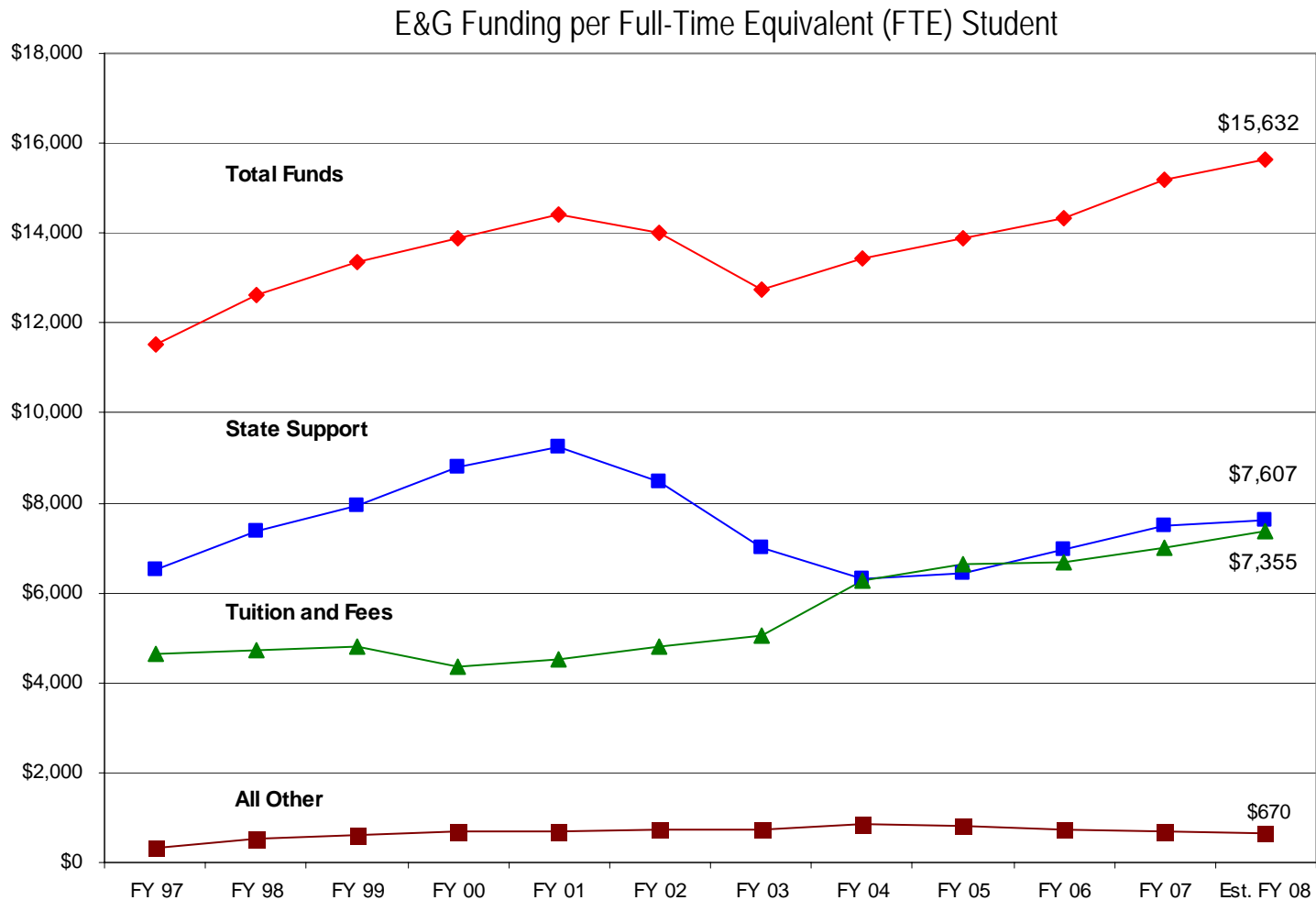
With increases in State support, VCU's financial position in E&G programs is becoming stronger. . .

### Actual E&G Revenue

(in millions)



# However, per FTE funding trends show that State support is still below FY1999 levels. . .



\* Excludes Qatar Campus



# Key features of the proposed 2007-08 E&G budget include. . .

- Funding for 60 additional faculty positions
  - Enrollment growth
  - Graduate programs
  - Focused Inquiry curriculum
- Significant additional support for graduate students
- 4% salary increase for faculty; 4% salary increase for classified staff; an additional state-funded salary increase for nursing faculty
- Enhanced support for University Libraries
- Support for new facilities coming on-line
- Initiatives in International Programs, Life Sciences, and Law and Medicine

# \$23.7M is allocated to **instructional** programs. . .

- Strategic Plan priorities (undergraduate experience, graduate programs):
    - University College – Focused Inquiry (32 faculty, 1 staff) \$2,004
    - Allied Health Professions (2 faculty) \$152
    - Arts (2 faculty) \$132
    - Dentistry (2 faculty) \$222
    - Humanities and Sciences (11 faculty) \$660
    - Medicine (3 faculty) \$1,200
    - Nursing (5.5 faculty) \$673
    - Pharmacy (1 faculty) \$84
    - Pool for accelerated faculty hiring \$376
    - Graduate Studies (assistantships – doctoral enrollment growth) \$1,367
- Total** **\$6,870**

*in thousands*



# Instruction (cont'd). . .

- **Presidential priorities for 2007-08:**

– Life Sciences: Continued program development	\$250
– International Education: Additional support for international partnerships	\$250
– Center for Law and Medicine	\$250
<b>Total</b>	<b>\$750</b>

- **Other academic priorities:**

– VCUQ operations: Additional faculty, classroom upgrades, and other cost increases	\$4,000
– Engineering	\$425
– Transition of collateral faculty to tenure-track positions	\$250
<b>Total</b>	<b>\$4,675</b>

*in thousands*



# Instruction (cont'd). . .

• <b>Dedicated tuition revenue:</b> Increased tuition revenue returned to specific schools for academic program enhancements	
– Adcenter	\$1,010
– Business	\$341
– Dentistry	\$288
– Engineering	\$1,371
– English Language Program	\$48
– Medicine	\$350
– Nurse Anesthesia	\$93
– PharmD – INOVA Campus	\$363
– Nonresident enrollment initiative	\$1,454
<b>Total</b>	<b>\$5,318</b>
• <b>State compensation increases</b>	
– Annualized FY07 salary increase	\$1,500
– FY08 salary increase	\$3,520
– FY08 state funds for nursing faculty	\$128
– Fringe benefit rate changes	\$896
<b>Total</b>	<b>\$6,044</b>
<b>Total Instruction</b>	<b>\$23,657</b>

*in thousands*



## \$3.2M is allocated to **academic support** activities. . .



*in thousands*





# \$875,000 is allocated to **research and public service**. . .



*in thousands*



# \$1.1M is allocated to **student services**. . .



*in thousands*



# \$552,000 is allocated within E&G programs to **scholarships and fellowships**\* . . .

• Need-based undergraduate aid	\$500
– Second-year increase of \$500,000	
– Increases to \$2,000,000 over 4-year period	
– Supplements \$2.1M in additional state funding	
• Undergraduate engineering students	\$52
<b>Total Scholarships and Fellowships</b>	<b>\$552</b>

*\* Does not include funding budgeted separately in the student financial assistance program.*

*in thousands*



# A net increase of \$639,000 is allocated to **institutional support**. . .

- **Core support needs**

– University Advancement (2 staff)	\$209
– Assurance Services – Compliance Office (1 staff)	\$45
– Business Services – Procurement (1 staff)	\$50
– Campus Police (5 police officers)	\$260
– Controller’s Office (3 staff)	\$204
– Health Sciences (1.5 staff positions)	\$85
– Human Resources (2 staff)	\$101
– Technology Services (4 staff)	\$210
– External Relations – web enhancements, Shafer Court Connections	\$209
<b>Total</b>	<b>\$1,373</b>

*in thousands*



## Institutional support (cont'd). . .

• <b>Prior commitments / unavoidable cost increases</b>	
– VCUNet upgrade – 2 <sup>nd</sup> year of 5 year plan	\$251
– Software/hardware licensing and maintenance	\$351
– Rent, insurance and contractual cost increases	\$482
– eVA procurement fees, insurance	\$496
– Increased recoveries from Auxiliary Enterprises	\$(325)
– Elimination of one-time funding from 2006-07	\$(3,317)
<b>Total</b>	<b>\$(2,062)</b>
• <b>State compensation increases</b>	
– Annualized FY07 salary increase	\$337
– FY08 salary increase	\$790
– Fringe benefit rate changes	\$201
<b>Total</b>	<b>\$1,328</b>
<b>Total Institutional Support</b>	<b>\$639</b>

*in thousands*

**VCU**

# \$3.1M is allocated to support **operation and maintenance of plant. . .**

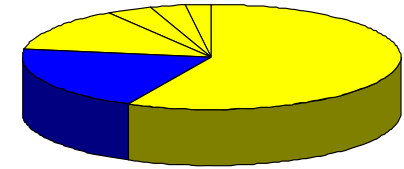
• <b>Capital commitments / unavoidable cost increases</b>	
– O&M for new facilities, and reserve funds	\$2,016
– Contractual cost increases	\$137
– Nonresident debt service – capital outlay fee	\$195
<b>Total</b>	<b>\$2,348</b>
• <b>State compensation increases</b>	
– Annualized FY07 salary increase	\$192
– FY08 salary increase	\$450
– Fringe benefit rate changes	\$114
<b>Total</b>	<b>\$756</b>
<b>Total Operation and Maintenance of Plant</b>	<b>\$3,104</b>

*in thousands*



# Sponsored Programs

# Sponsored Programs



- Represents grants and contracts funded from outside entities for research, instruction and public service.
  - 20% of the total operating budget
- Direct costs are spent according to the terms of each grant/contract.
- Facilities and administrative cost recoveries are returned to the University to support indirect costs.
- VCU awards are projected to be \$215.1M in 2007-08.
  - FY05 awards: \$204.2M
  - FY06 awards: \$211.4M
  - FY07 awards: \$210.9M



# Overall, sponsored program spending (direct and indirect) is projected to increase \$4.8M over 2006-07.

<i>in thousands</i>	2006-07 Budget	2007-08 Budget Plan	% Change Over 2006-07	\$ Change Over 2006-07
<b>Direct Program Costs</b>				
Federal Grants and Contracts				
Department of Health and Human Services	\$ 49,656	\$ 51,414	3.5%	
Department of Education	9,931	10,130	2.0%	
Other Federal Agencies	12,414	12,662	2.0%	
<b>Total Federal Grants and Contracts</b>	<b>\$ 72,001</b>	<b>\$ 74,206</b>	<b>3.1%</b>	<b>\$ 2,205</b>
Other Grants and Contracts				
State Agency Grants and Contracts	\$ 27,311	\$ 27,857	2.0%	
State Higher Education Research Initiative*	3,100	4,100	32.3%	
Private and Local Agency Grants and Contracts	24,828	25,325	2.0%	
State General Fund Grants and Transfers	641	641	0.0%	
<b>Total Other Grants and Contracts</b>	<b>\$ 55,880</b>	<b>\$ 57,923</b>	<b>3.7%</b>	<b>\$ 2,043</b>
<b>Total Sources Associated with Direct Costs</b>	<b>\$ 127,881</b>	<b>\$ 132,129</b>	<b>3.3%</b>	
<b>Facilities and Administrative Cost Recoveries</b>	<b>\$ 28,000</b>	<b>\$ 28,600</b>	<b>2.1%</b>	<b>\$ 600</b>
<b>Total</b>	<b>\$ 155,881</b>	<b>\$ 160,729</b>	<b>3.1%</b>	<b>\$ 4,848</b>

\*The state budget provides \$1.0M in 2007-08 for cancer research.



# Sponsored Programs budget is based on. . .

- Projected awards of \$215.1 million for 2007-08 (+ 2%).
- Projected revenues and expenditures of \$160.7 million (+ 3.1%).
- Continued implementation of the School of Medicine research plan. New faculty are expected to transfer existing grants, increasing research volume.
- Targeted State general fund support for cancer research.
  - Additional \$1.0M for the Massey Cancer Center.

# Although indirect cost recoveries (FACR) are increasing slightly, most of the growth is dedicated. . .

<i>in thousands</i>	2006-07 Budget	2007-08 Budget Plan	% Change Over 2006-07	\$ Change Over 2006-07
<b>Sources</b>				
Total Estimated Revenue	\$ 28,000	\$ 28,600	2.1%	\$ 600
Allocation to E&G	(8,222)	(8,100)	-1.5%	122
Net Revenue Available	<u>\$ 19,778</u>	<u>\$ 20,500</u>	3.7%	<b>\$ 722</b>
<b>Uses</b>				
Academic VPs and Schools	\$ 6,325	\$ 6,210	-1.8%	\$ (115)
Support for Research Operations	4,113	4,263	3.6%	150
University Institutes and Centers	2,364	2,101	-11.1%	(263)
Special Allocations	2,353	2,009	-14.6%	(344)
Capital Related Activities	1,847	2,255	22.1%	408
Graduate Scholarships and Fellowships	1,533	1,546	0.8%	13
School of Medicine Research Plan	428	1,500	250.5%	1,072
Research Park Support	411	212	-48.4%	(199)
Contingencies	404	404	0.0%	-
Total Uses	<u>\$ 19,778</u>	<u>\$ 20,500</u>	3.7%	<b>\$ 722</b>
<b>Budget Balance</b>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>



# The 2007-08 FACR budget reflects priority allocations and other spending adjustments. . .

• <b>Budget Adjustments</b>	
– School of Medicine research plan	\$1,072
– MSB II debt service (partial year)	\$355
– Animal Resources – care and housing of research mice	\$263
– State compensation increase	\$67
– Maintenance reserve match for research space	\$53
– Graduate scholarships and fellowships	\$13
– Allocations to Academic Vice Presidents/Schools	\$(115)
– VP Research Pool	\$(172)
– Master Lease reserve	\$(200)
– Molecular Imaging Center (end of funding commitment)	\$(263)
– VCUNet (one-time savings in five-year financing plan)	\$(351)
<b>Total</b>	<b>\$722</b>

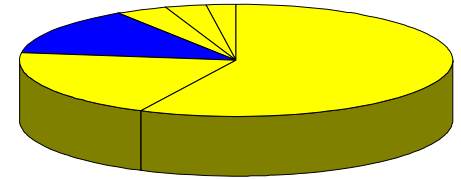
*in thousands*

*Budget Document: II-15*



# Auxiliary Enterprise Programs

# Auxiliary Enterprise Programs



- Self-supporting services provided to students, faculty and staff.
  - 14% of the operating budget
- \$103.8M in revenues are budgeted for 2007-08, including \$8.4M from fund balances.
- Reflects 2007-08 proposed rates for auxiliary program fees.
  - University Fee
  - Student Health Fee
  - Housing
  - Meal plans

Sources of funds, including use of reserves, support \$100.2M of planned expenditures. Additions to reserves include \$1.5M for new student recreation centers.

<i>in thousands</i>	2006-07 Budget	2007-08 Budget Plan	% Change Over 2006-07	\$ Change Over 2006-07
<b>Sources</b>				
University Fee	\$ 28,375	\$ 32,370	14.1%	\$ 3,995
Sales & Services	25,434	26,455	4.0%	1,021
Room Plan	16,844	17,684	5.0%	840
Board Plan	11,727	12,851	9.6%	1,124
Health Fee	3,222	3,501	8.7%	279
Other				
Use of Balances	4,733	8,403	n/a	3,670
Interest Earnings	452	489	8.2%	37
Other Revenues	1,988	2,090	5.1%	102
<b>Total Sources</b>	<b>\$ 92,775</b>	<b>\$ 103,843</b>	<b>11.9%</b>	<b>\$ 11,068</b>
<b>Total Uses</b>	<b>\$ 89,577</b>	<b>\$ 100,247</b>	<b>11.9%</b>	<b>\$ 10,670</b>
<b>Addition to Reserves</b>	<b>\$ 3,198</b>	<b>\$ 3,596</b>	<b>n/a</b>	<b>\$ 398</b>



# Significant resources will be directed to facility-related costs and equipment in housing and dining. . .

<i>in thousands</i>	<b>2006-07 Budget</b>	<b>2007-08 Budget Plan</b>	<b>% Change</b>	<b>\$ Change</b>	<b>Total</b>
<b>Housing</b>	<b>\$19,441</b>	<b>\$20,280</b>	<b>4.3%</b>	<b>\$839</b>	
- Compensation and New Positions					499
- Repair and Replacement Projects					2,210
- Utilities, Maintenance, Lease, Cable					280
- Temporary Housing					696
- One-time Allocations in FY2007 Budget					(2,846)
<b>Total</b>					<b>\$839</b>
<b>Dining Services</b>	<b>\$12,126</b>	<b>\$17,139</b>	<b>41.3%</b>	<b>\$5,013</b>	
- Compensation					325
- Repair and Replacement Projects					150
- New Facilities					4,467
- Dining Contract/Program Costs					871
- Fund Balance Transfer from Retail Services					(800)
<b>Total</b>					<b>\$5,013</b>





# Auxiliary enterprises (cont'd). . .

<i>in thousands</i>	<b>2006-07 Budget</b>	<b>2007-08 Budget Plan</b>	<b>% Change</b>	<b>\$ Change</b>	<b>Total</b>
<b>Parking and Transportation</b>	<b>\$12,338</b>	<b>\$15,178</b>	<b>23.0%</b>	<b>\$2,840</b>	
- Compensation and New Positions					832
- Parking Deck Maintenance					1,476
- New Facilities and Land Acquisition					1,225
- Utilities, Maintenance, Leases, Equipment					227
- MCV Campus Parking Lots and Transportation					732
- Debt Service: Monroe Park Campus Addition Deck					1,441
- One-time Allocations in FY2007 Budget					(2,468)
- Fund Balance Transfer from Retail Services					(625)
<b>Total</b>					<b>\$2,840</b>
<b>Intercollegiate Athletics</b>	<b>\$9,501</b>	<b>\$10,220</b>	<b>7.6%</b>	<b>\$719</b>	
- Compensation					262
- Utilities, Maintenance					63
- Women's Sports Programs					100
- Student Grant Rate Increases					145
- Student Grant Expansion					49
- Technical Adjustment					100
<b>Total</b>					<b>\$719</b>



# Auxiliary enterprises (cont'd) . . .

<i>in thousands</i>	2006-07 Budget	2007-08 Budget Plan	% Change	\$ Change	Total
<b>Telecommunications</b>	<b>\$10,782</b>	<b>\$9,050</b>	<b>(16.1%)</b>	<b>(\$1,732)</b>	
- Compensation					68
- Telecommunications Modernization Project					3,000
- One-time Allocations in FY2007 Budget					(4,800)
<b>Total</b>					<b>(\$1,732)</b>
<b>Student Commons and Activities</b>	<b>\$4,967</b>	<b>\$5,518</b>	<b>11.1%</b>	<b>\$551</b>	
- Compensation					67
- Repair and Replacement Projects					714
- One-time Allocations in FY2007 Budget					(230)
<b>Total</b>					<b>\$551</b>
<b>Student Health</b>	<b>\$4,184</b>	<b>\$4,519</b>	<b>8.0%</b>	<b>\$335</b>	
- Compensation and New Positions					395
- Electronic Health Records					120
- One-time Allocations in FY2007 Budget					(180)
<b>Total</b>					<b>\$335</b>



# Auxiliary enterprises (cont'd). . .

<i>in thousands</i>	<b>2006-07 Budget</b>	<b>2007-08 Budget Plan</b>	<b>% Change</b>	<b>\$ Change</b>	<b>Total</b>
<b>Siegel Center &amp; Other Facilities</b>	<b>\$3,819</b>	<b>\$4,066</b>	<b>6.5%</b>	<b>\$247</b>	
- Compensation					21
- Sports Backers Stadium Lockers					196
- Utilities, Maintenance					30
<b>Total</b>					<b>\$247</b>
<b>Recreational Sports</b>	<b>\$3,733</b>	<b>\$3,843</b>	<b>2.9%</b>	<b>\$110</b>	
- Compensation					37
- MCV Campus Gym Lockers, Equipment					878
- One-time Allocations in FY2007 Budget					(805)
<b>Total</b>					<b>\$110</b>
<b>Steam Plant</b>	<b>\$3,230</b>	<b>\$3,261</b>	<b>1.0%</b>	<b>\$31</b>	
- Compensation					31
<b>Total</b>					<b>\$31</b>



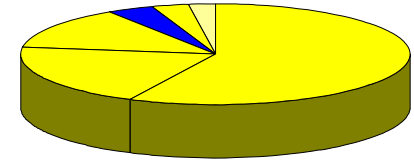
# Auxiliary enterprises (cont'd). . .

<i>in thousands</i>	2006-07 Budget	2007-08 Budget Plan	% Change	\$ Change	Total
<b>Retail Services</b>	<b>\$1,435</b>	<b>\$2,705</b>	<b>88.5%</b>	<b>\$1,270</b>	
- Compensation and New Positions					23
- One-time Allocations in FY2007 Budget					(178)
- Fund Balance Transfers to Dining and Parking					1,425
<b>Total</b>					<b>\$1,270</b>
<b>Contingencies and Other</b>	<b>\$2,441</b>	<b>\$2,683</b>	<b>9.9%</b>	<b>\$242</b>	
- Indirect Costs					58
- Monroe Park Campus Addition					125
- Technical Adjustment					59
<b>Total</b>					<b>\$242</b>
<b>Student Development Programs</b>	<b>\$1,580</b>	<b>\$1,785</b>	<b>13.0%</b>	<b>\$205</b>	
- Compensation and New Positions					205
<b>Total</b>					<b>\$205</b>
<b>Auxiliary Totals</b>	<b>\$89,577</b>	<b>\$100,247</b>	<b>11.9%</b>	<b>\$10,670</b>	<b>\$10,670</b>



# Student Financial Assistance

# Student Financial Assistance



- Represents scholarships, grants and fellowships awarded to students without requiring work or service and work-related programs.
  - 4% of the total University budget
  - Major sources are federal and state support
- \$31.2M is projected for 2007-08 – a 9.5% increase over 2006-07 (+\$2.7M) (not including institutional resources budgeted in other programs).

# Increased state funding for student financial assistance will improve student access. . .

<i>in thousands</i>	2006-07 Budget	2007-08 Budget Plan	% Change Over 2006-07	\$ Change Over 2006-07
<b>Federal</b>				
Grants/Scholarships				
Pell	\$ 10,992	\$ 11,600	5.5%	\$ 608
Supplemental Education Opportunity Grants	538	562	4.5%	24
Other	154	154	0.0%	-
Total Grants/Scholarships	<u>\$ 11,684</u>	<u>\$ 12,316</u>	5.4%	<u>\$ 632</u>
Work-Study	<u>1,288</u>	<u>1,300</u>	0.9%	<u>12</u>
<b>Total Federal</b>	<b>\$ 12,972</b>	<b>\$ 13,616</b>	<b>5.0%</b>	<b>\$ 644</b>
<b>State</b>				
Virginia Student Financial Assistance Program				
Scholarships	\$ 12,195	\$ 14,252	16.9%	<b>\$ 2,057</b>
Fellowships for Graduate Students	2,635	2,635	0.0%	-
Total VA Student Financial Assistance Program	<u>\$ 14,830</u>	<u>\$ 16,887</u>	13.9%	<u>\$ 2,057</u>
College Scholarship Assistance Program	<u>419</u>	<u>419</u>	0.0%	<u>-</u>
<b>Total State</b>	<b>\$ 15,249</b>	<b>\$ 17,306</b>	<b>13.5%</b>	<b>\$ 2,057</b>
<b>Private</b>	<b>\$ 225</b>	<b>\$ 230</b>	<b>2.2%</b>	<b>\$ 5</b>
<b>Total</b>	<b><u>\$ 28,446</u></b>	<b><u>\$ 31,152</u></b>	<b>9.5%</b>	<b><u>\$ 2,706</u></b>



# Combined with other aid sources, over \$55M of non-loan support will be available for students. . .

- \$24.4 million from other sources in the University budget also funds financial aid
  - E&G: waivers, scholarships, wages and need-based aid \$13,929
  - Sponsored Programs: FACR for 50 graduate fellowships \$1,546
  - Auxiliary Enterprises: athletic scholarships \$2,710
  - University Funds: scholarships and fellowships \$6,165
  - Total** **\$24,350**
- Loans are also available for students through the Federal Direct Student Loan Program (*not part of VCU operating budget*) \$150,000

*in thousands*

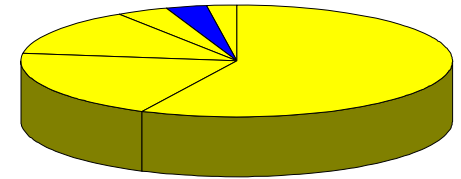
*Budget Document: II-28*





# University Funds

# University Funds



- Gifts, investment earnings, endowment income and foundation support, and other transfers.
  - 3% of the total University budget
  - Most private gifts are directed to specific Foundations.
- Most accounts are managed by individual deans, directors and department heads; about \$4M is centrally managed by the University.
- \$21.4M is projected for 2007-08 – a 6.7% increase over 2006-07 (+\$1.4M).

# Funds held centrally are allocated for various expenses including scholarships, special events, and University Advancement.

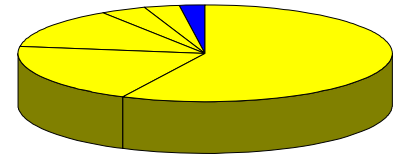
<i>in thousands</i>	2006-07 Budget	2007-08 Budget Plan	% Change Over 2006-07	\$ Change Over 2006-07
<b>Sources</b>				
Foundation Support and Endowment and Trust Income	\$ 13,750	\$ 15,000	9.1%	\$ 1,250
Other Transfers	3,000	3,000	0.0%	-
Investment Income	2,260	2,260	0.0%	-
Gifts	1,000	1,100	10.0%	100
<b>Total Sources</b>	<b>\$ 20,010</b>	<b>\$ 21,360</b>	<b>6.7%</b>	<b>\$ 1,350</b>
<b>Uses</b>				
Personal Services	\$ 13,536	\$ 14,478	7.0%	\$ 942
General Operating Support	5,874	6,282	6.9%	408
Fixed Costs	600	600	0.0%	-
Recoveries and Transfers	(100)	(100)	0.0%	-
<b>Total Uses</b>	<b>\$ 19,910</b>	<b>\$ 21,260</b>	<b>6.8%</b>	<b>\$ 1,350</b>
<b>Budget Balance</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>0.0%</b>	<b>\$ -</b>

Note: University Funds primarily used to support instruction, research (including required cost sharing), scholarships and fellowships, and expenditures not allowed using state funds.



# Hospital Services

# Hospital Services



- Service agreements between the University and VCU Health System for clinical, educational, research and administrative services; rent for leased space; and O&M costs for shared buildings.
  - 2% of the total University budget
- \$18M budgeted for 2007-08 – a 5.6% increase over 2006-07 (+ \$1M).

# OSAs (administrative services) account for about 64% of the Hospital Services budget.

<i>in thousands</i>	2006-07 Budget	2007-08 Budget Plan	% Change Over 2006-07	\$ Change Over 2006-07
<b>Sources</b>				
Sales and Services	\$ 14,889	\$ 15,844	6.4%	\$ 955
Rental Income	2,200	2,200	0.0%	0
<b>Total Sources</b>	<b>\$ 17,089</b>	<b>\$ 18,044</b>	5.6%	<b>\$ 955</b>
<b>Uses</b>				
Operations and Services Agreement (OSA)	\$ 10,379	\$ 11,396	9.8%	\$ 1,017
Clinical, Educational and Research Services Agreement (CERSA)	4,010	3,948	-1.5%	(62)
Operation and Maintenance of Plant	1,900	1,900	0.0%	
Other	550	550	0.0%	
<b>Total Uses</b>	<b>\$ 16,839</b>	<b>\$ 17,794</b>	5.7%	<b>\$ 955</b>
<b>Budget Balance</b>	<b>\$ 250</b>	<b>\$ 250</b>	0.0%	<b>\$ -</b>
<i>(Transfer to Plant Funds)</i>				



**In conclusion, we are asking that the Board of Visitors approve the 2007-08 tuition and fee rates and the University budget plan.**

- Resource allocations reflect support for instruction, Presidential Priorities, Strategic Plan initiatives and continued enrollment growth.
- Student access remains a priority, with modest tuition and fee increases, increased financial aid from state and institutional resources, and additional graduate assistantships.

# Appendix



# Budgeted revenue comes from a variety of sources, which span several of the major programs.

<i>in thousands</i>	Educational & General Programs	Sponsored Programs			University Funds	Student Financial Assistance	Hospital Services	Total University	% of Total
<b>FY 2007-08 Sources</b>		Direct Costs	Facilities & Admin. Costs	Auxiliary Enterprises					
<b>State General Fund</b>									
Direct Appropriations	\$ 194,722	\$ 4,100	\$ -	\$ -	\$ -	\$ 16,887	\$ -	\$ 215,709	28.1%
Central Transfers	5,156	641	-	-	-	419	-	6,216	0.8%
<b>Total General Fund</b>	<b>\$ 199,878</b>	<b>\$ 4,741</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,306</b>	<b>\$ -</b>	<b>\$ 221,925</b>	<b>28.9%</b>
<b>Nongeneral Funds</b>									
Student Tuition and Fees	\$ 193,293	\$ -	\$ -	\$ 66,406	\$ -	\$ -	\$ -	\$ 259,699	33.9%
Grants and Contracts	8,100	127,388	20,500	-	-	13,846	-	169,834	22.1%
Gifts	-	-	-	-	1,100	-	-	1,100	0.1%
Endowment and Investment Earnings	-	-	-	-	17,260	-	-	17,260	2.3%
Sales and Services	38,108	-	-	26,455	-	-	18,044	82,607	10.8%
Transfers	-	-	-	-	3,000	-	-	3,000	0.4%
Other Revenues	354	-	-	10,982	-	-	-	11,336	1.5%
<b>Total Nongeneral Funds</b>	<b>\$ 239,855</b>	<b>\$ 127,388</b>	<b>\$ 20,500</b>	<b>\$ 103,843</b>	<b>\$ 21,360</b>	<b>\$ 13,846</b>	<b>\$ 18,044</b>	<b>\$ 544,836</b>	<b>71.1%</b>
<b>Total University Sources</b>	<b>\$ 439,733</b>	<b>\$ 132,129</b>	<b>\$ 20,500</b>	<b>\$ 103,843</b>	<b>\$ 21,360</b>	<b>\$ 31,152</b>	<b>\$ 18,044</b>	<b>\$ 766,761</b>	<b>100.0%</b>
% of Total	57%	17%	3%	14%	3%	4%	2%	100%	



# Expenditure classifications also span the major programs.

<i>in thousands</i>	Educational & General Programs	Sponsored Programs			University Funds	Student Financial Assistance	Hospital Services	Total University	% of Total
<b>FY 2007-08 Uses</b>		Direct Costs	Facilities & Admin. Costs	Auxiliary Enterprises					
Instruction	\$ 264,485	\$ 31,326	\$ -	\$ -	\$ 6,702	\$ -	\$ -	\$ 302,513	40%
Research	10,446	100,331	13,619	-	5,088	-	-	129,484	17%
Public Service	6,413	472	-	-	435	-	-	7,320	1%
Academic Support	58,299	-	1,276	-	1,936	-	-	61,511	8%
Student Services	10,798	-	-	-	211	-	-	11,009	1%
Institutional Support	41,399	-	400	-	2,323	-	-	44,122	6%
Operation and Maintenance of Plant	40,283	-	3,255	-	823	-	1,900	46,261	6%
Scholarships and Fellowships	5,008	-	1,546	-	3,742	31,152	-	41,448	5%
Auxiliary Enterprises	-	-	-	98,426	-	-	-	98,426	13%
Hospital Services	-	-	-	-	-	-	15,894	15,894	2%
<b>Subtotal Uses</b>	<b>\$ 437,131</b>	<b>\$ 132,129</b>	<b>\$ 20,096</b>	<b>\$ 98,426</b>	<b>\$ 21,260</b>	<b>\$ 31,152</b>	<b>\$ 17,794</b>	<b>\$ 757,988</b>	<b>99%</b>
<b>Reserves and Contingencies</b>									
University Contingency	\$ 2,262	\$ -	\$ 374	\$ 1,821	\$ -	\$ -	\$ -	\$ 4,457	1%
Other	340	-	30	-	-	-	-	370	0%
<b>Subtotal Contingencies</b>	<b>\$ 2,602</b>	<b>\$ -</b>	<b>\$ 404</b>	<b>\$ 1,821</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,827</b>	<b>1%</b>
<b>Total University Uses</b>	<b>\$ 439,733</b>	<b>\$ 132,129</b>	<b>\$ 20,500</b>	<b>\$ 100,247</b>	<b>\$ 21,260</b>	<b>\$ 31,152</b>	<b>\$ 17,794</b>	<b>\$ 762,815</b>	<b>100%</b>
<b>% of Total</b>	<b>58%</b>	<b>17%</b>	<b>3%</b>	<b>13%</b>	<b>3%</b>	<b>4%</b>	<b>2%</b>	<b>100%</b>	

