

Budget Symposium Meeting Minutes

September 10, 2018

The University transitioned to a new Budget Tool system in August. The budget reports you are seeing in Recon@ and UBI for July and August are not correct. However, you still need to complete your reconciliations for these months. We are hoping the University has these issues corrected soon. Until then please continue to reconcile your projects by the end of the month as required. The expenditures on these months are correct.

Financial Dashboard

You can access the Financial Dashboard on the “myuvawise” website by logging in and clicking on the “Finance” tab. This dashboard is updated around the 10th of each month and is three pages. The first page gives an overview of E&G, the second page shows auxiliaries, and the third page shows a combination and enrollment.

Looking at the first page, E&G, you see that July is a bad month. This is normal because tuition revenue is usually strong in September and July has many one time high expenses such as insurance. The state dollars are normally more consistent each month unless the state does a reduction. We receive our state appropriation each month. July also has summer school in it as well.

The \$2 million state appropriation you see budgeted we have to consider as a one-time appropriation at this time. While the state was trying to resolve the Medicaid issue, the additional funds that were put in the budget for us were zeroed out. The language states that we can choose to carry forward appropriation from FY 20 and address FY 20 in the next session in January 2019. We have been told that this will be put back but we don’t know that for certain. We have been talking to people in Richmond and legislators who are cautiously optimistic. When we submitted the original budget, the budget was based on the Senate’s version that was less.

We have also received additional appropriation for the IT infrastructure to upgrade the network on campus. The state has given money for a 5 year lease purchase. All expenditures must be approved by the state treasury to confirm they are fundable under this plan.

Budgeted tuition and fees are based off of full time Wise campus students, not FTE or UVaWise students. CTE students are a different model. The budget this fiscal year is built on 1,060 students and this is an annualized average for the loss of students during the year. Last year we budgeted on 1,200 students and FY 17 was based on 1,300 students.

Please remember that the budget is a planning document, we must have the cash to backup this number. The dashboard helps you see the cash management side. We are currently running behind on Wise full time students at this stage. We do have a larger freshman class than last year, but we are still running behind overall. We have a model to estimate the number of student we will lose during breaks and at the beginning of semesters.

The second page contains information for the auxiliary side. The auxiliaries depend on student fee collections and on enterprises of campus to generate revenue. Examples of enterprises would be the

cafeteria, bookstore, parking decals, fitness center, and conference events. We know that the key time we begin collecting student fees is September. The auxiliary side is important to E&G because the state requires us to charge auxiliaries 18% of their expenditures. So if the revenue doesn't come in as planned (we generate all of the revenue for auxiliaries and nothing is funded by the state), it affects the E&G side and is seen like a budget cut. There isn't much revenue reported in July and August, but will watch for increased revenue in September, October, and November.

The third page shows that combined the college is behind \$2.5 million. The enrollment number is based off of the last day of the month. There are comparisons to the same time last year. If the historical pattern holds true we will need to make adjustments thought the year. We are watching this closely.

The budget is a budget tool, nothing more than that. Please also make sure that if you have any commitments you are not going to use that you have them removed because it helps us to plan.

Fiscal Year 2020

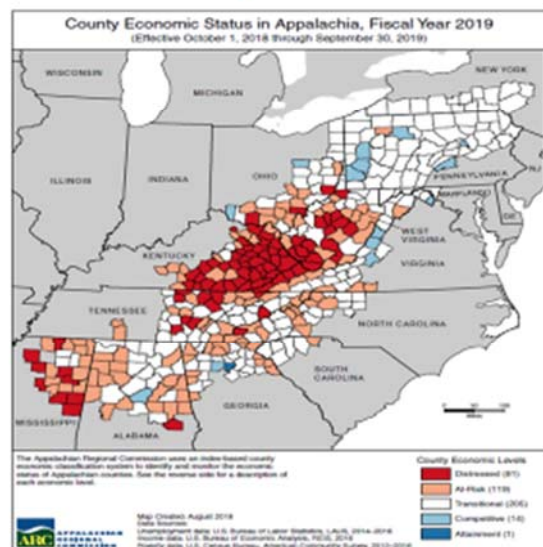
We are currently working on decision packages to submit to the state. The Commonwealth does not normally make big changes in the middle of a biennium. However, we are still submitting the following:

- 1) We are asking for legislation to offer in-state rate for students in the Appalachian region. Currently we offer in-state tuition to students within a 50 mile flight radius. We are asking to provide reduced tuition to the entire federally defined Appalachian region. The deep red areas are the most distressed areas. These are the most distressed areas of the U.S. This could potentially allow us to access additional ARC money and make us more competitive to apply to the ARC. We will be able to address an educational need in this region. The students would still count as out-of-state students and would be required to pay the capital out-of-state fee but we can reduce their tuition. It is our hope that students will want to remain in this area after graduation which will help the economics in this area.

UVa-Wise Legislative Proposal

In-state tuition rates for students domiciled in the Appalachian region:

- Propose amending 23.1-507 of the Code of Virginia to authorize the College to charge in-state tuition to students to students residing in the federally-defined Appalachian Region
- Will promote access and affordability and broaden the College's economic impact on the region
- Students would continue to be counted as out-of-state students for all other purposes (eg., admission, enrollment, etc.)



- 2) We are submitting an amendment to ensure the \$2 million is put back into the budget.
- 3) We are submitting an amendment to provide program development and initiation for graduate high need programs. We hope that we can have the steps done so that we can get ahead and start the programs with the new biennium.
- 4) We have been asked by the University to submit with them a decision package on campus security. This would include a new camera system, adding blue lights, changing lighting, and some signage. The Board of Visitors provided funding for a private consultant to visit campus to look at areas that could be improved.
- 5) We are submitting a package for the renovation of Wylie. We have submitted this in the past and it was put on hold with the state. The Commonwealth expects to generate \$300 million in federal taxes, this is contingent that this doesn't go back to the tax payers. There is also additional revenue expected from sales tax on internet purchases. We received a note telling us to ask for cash rather than a bond. The key here is to provide nursing with additional space.

Questions:

- 1) What is the timeframe for the legislation decision package? (Don Sharitt)

If it all goes through we would not be able to take effect until July 1st. This would be late for the marketing game, but it would really set us up for the following year.

- 2) Can you share the calculated impact of student coming from the region? (Huda Aden)

I did not bring those calculations with me, but I believe we took 50 students over four years which was 200 students from nearby areas. There would be higher retention of these students coming from areas similar to ours. There would be an economic development prospect with these students making purchases in the community as well as on campus.