

## Budget Symposium Minutes

April 15, 2015

(31 people in attendance)

1. What are the budget numbers for next year compared to the numbers when Sim first came to the College?
  - The total operating budget for FY16 is \$41.3 million which is down from FY15. In 1996, the total budget was \$8 million.
  - In FY08 we started receiving cuts starting in October 2007, which was a \$5.6 million reduction we have not recovered. Our budget was 68-69% from the Commonwealth and we are now at 58%, which is a dramatic change. This year has been difficult and next year will be more so.
  - The reasons for the decrease in budgets between FY15 and FY16 would be the enrollment picture being down for full time students. We are down 9% and Sim projects a decrease of an additional 7% if our enrollment numbers continue. The ratio of full time versus part time has changed. Part time are now at 71% compared to 80% being full time in the past. Part time students do not generate as much revenue since there are no fees, meal plans, and on campus housing. There have been additional state budget cuts. The salary increases have affected the budget as we have to cover a portion of these and all increases on the student fee side. Seventy-four percent of our total budget is people. Therefore, to fund the increases the operating side must decrease.
  - The tuition increase will not offset the enrollment decrease if next year's full time students are not level with this year's full time enrollment.
2. Why is enrollment down?
  - Retention is down, not sure why. The community college has also had negative growth which impacts our number of transfer students.
3. Has having students required to live on campus through their sophomore year been thought about?
  - Yes
4. Has any ideas been discussed to make it more enticing for out of state students?
  - We are required by the Commonwealth to charge full cost to out of state students. There is legislation that allows us to work more with specific areas in Kentucky and Tennessee. However, Tennessee just made the first two years free to attend a community college.
5. Why is the spending cut offs before the end of the fiscal year?
  - This year tuition revenue was down. The budget means nothing if the cash is not there. Commitments are important because we think these are going to be spent and

therefore the cut offs are earlier. At each Project Manager's Meeting we ask that everyone look at their commitments and close any that are not going to be spent. These must be monitored and it could extend the spending longer.

6. Why is there different rates for the salary increases?
  - The T&R rate came from the General Assembly. In addition, we have been providing supplemental increases since December 2012. There has been times when T&R faculty received an increase when others did not.
  - The Classified Staff rate came from the General Assembly. This included a 2% increase and a compression rate of \$65 for each year of service up to 30 years with five years of continuous service before it starts.
  - The University staff were given an extra percent amount from the BOV.
  - The General Faculty were given an increase from the BOV. There have been times that the legislature did not fund this group.
  - The Commonwealth conducted a study of high turnover positions. Of these positions, the college only had two categories.
  
7. If you were Classified Staff and switched to University Staff you are not eligible for the compression increase?
  - This is correct.
  
8. Is there a light at the end of the tunnel for the state budget?
  - The Commonwealth's budget is picking up. It will continue to have an issue as long as Congress has its issue. If the sequestration happens this will have an effect. It is anticipated that if the next phase of the sequestration happens Northern Virginia will see a loss in jobs in the six figure range. We are going to see the Commonwealth's budget improve as the Federal budget straightens out. However, higher education is not a mandatory expenditure and is considered discretionary. K-12 is considered a mandatory expenditure. Once the mandatory expenditures are funded it does not leave much room for the non-mandatory items. There has been a change to the performance base model, focusing on return on investment with retention, graduation rates, STEM majors, and areas driving supplemental funding. It will be difficult to see significant revenue growth from the Commonwealth. We are 13<sup>th</sup> out of 15 for the total cost of attendance. We will remain affordable, however with having less state funding, and with a small student body it will be a challenge to have flexibility. Therefore, it will take longer to generate additional monies.
  
9. How much will our college save with the insurance change?
  - The University sets our fringe benefits rates. UVA was subsidizing our cost to be on the state's insurance plan. We were not paying our full share. Our college will not be saving. However, if we had stayed we would have had to cover our cost. The employee would have had more cost or additional cuts would have been implemented to cover the increase centrally.

10. How do our salaries compare to UVA for the same positions?

- It must be kept in mind that \$100 here is not the same as \$100 in Charlottesville. The cost of living is higher there. University employees also have higher costs such as parking. Once you factor in everything I expect the differences are not as significant as some.

11. Did we make more revenue with the increased parking rates?

- We did not make more when factoring in fines. Fewer are parking illegally. Enrollment also effects revenue with permits and fines. It is illegal to park within the circle and if someone is backing out of a parking space and hits someone parked illegally the fault lies with the person parked illegally.

12. Is there a way to know when spending cuts are coming for those planning bigger projects?

- As long as commitments are not monitored and removed we will always have this issue. The first of the year we can anticipate if we are going to make it but people constantly are adding commitments. We could tell as early as September, but as long as commitments are out there we have no option. The only way to know for sure would be to centralize purchasing. Joe Kiser confirmed that Procurement does do spot checking for larger commitments. Heather Wilson said we will send out an email to the manager's list serve with instructions on how to run an open commitment report in the system. These are shown when a budget manager does their monthly reconciliation.

13. What are the plans to increase enrollment?

- The folks in Admissions are working hard. Working on retention is in the six year plan. We have had consultants look at the issue and there is not a single item. The College is working on a number of items which we hope will aid in addressing the issue.

14. How do our retention numbers compare to similar institutions in the state?

- Scott Bevins answered this question saying, we peaked with the 2011 cohort at 71-72%. Across the state we usually are 4<sup>th</sup> or 5<sup>th</sup> from the bottom. Elizabeth Steele added that nationally we are typically ahead.

15. What is the makeup of traditional versus non-traditionally students?

- CTE has changed the percentage dramatically. We cannot bank on tuition from these students as they are non-degree, part time.
- When asking about enrollment you could potentially get many different answers. We look good when including the number of CTE students. However, the traditional four year degree seeking student trend line tracks with our enrollment. As we have changed our provisional student number decreasing initial class size, which was the correct thought process – but the trend has not turned out as anticipated, and our retention having dropped we will take time to fully recover.

16. What are the plans for the current library? Are there monies allocated for changes?
- The current library is in the queue for pre-planning funds. Fewer projects are making this funding category but the library is the first on our list. We expect to utilize it as an academic building in a make shift manner while in pre-planning. The state is becoming more stringent on space utilization, looking at bodies and hours in classrooms and labs. Our space utilization is low. The state sees that we are not fully utilizing what space we have now. We have argued for specific programming needs in the past, but this becoming more difficult. Scott Bevins and Sim both emphasized the importance of why we need all classes on the schedule to have a space and time documented. The state requires the official records from the Registrar's Office.
17. Can financial aid be used for health insurance for students? Holds must be placed on students' accounts when they cannot show proof of insurance which may be a retention factor as these are mainly freshman and transfer students.
- No one from financial aid was available to answer. However, Dewey Lusk mentioned there may be an issue with the timing of refund checks. Dewey also mentioned that Southwest Insurance in Norton has worked with his student athletes to offer affordable rates. Nancy Pilkenton said the campus nurse has also researched websites to provide students with options.
18. Would it be possible to reduce tuition and become the most affordable college so that more people would enroll?
- For every 100 students you would need to hire faculty. To become the lowest we would have to drop significantly and would need a lot of students to make up the difference.
19. What about having all athletes live on campus?
- Both coaches in attendance, Dewey Lusk and Meghan Dennehy, had no issue with this idea. However, Meghan asked if an athlete only dorm could be discussed.

