



Faculty Senate

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VCU 2022-23 University Budget Plan Sources Summary

in thousands

FY 2022-2023 Sources	Educational & General Programs	Sponsored Programs		Auxiliary Enterprises	Qatar	University Funds	Student Financial Assistance	Hospital Services	Total University
		Direct Costs	Facilities & Admin. Costs						
State General Fund									
Direct Appropriations	\$ 251,148	\$ 26,513	\$ -	\$ -	\$ -	\$ -	\$ 58,125	\$ -	\$ 335,786
Central Transfers	-	-	-	-	-	-	-	-	\$ -
State General Fund	<u>\$ 251,148</u>	<u>\$ 26,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,125</u>	<u>\$ -</u>	<u>\$ 335,786</u>
Nongeneral Funds									
Student Tuition and Fees	449,190	-	-	65,116	-	-	-	-	514,306
Grants and Contracts		335,849	49,000	-	-	-	33,447	-	418,296
Gifts and Investment Earnings	100	-	-	5,545	-	55,000	-	-	60,645
Sales and Services	6,390	-	-	86,346	39,989	-	-	48,158	180,883
Other Sources	3,770	-	-	3,883	-	11,333	-	-	18,986
Total Nongeneral Funds	<u>459,450</u>	<u>335,849</u>	<u>49,000</u>	<u>160,890</u>	<u>39,989</u>	<u>66,333</u>	<u>33,447</u>	<u>48,158</u>	<u>1,193,116</u>
Transfers in (out)	12,500	-	(10,635)	-	-	-	-	-	1,865
Total University Sources	<u>\$ 723,098</u>	<u>\$ 362,362</u>	<u>\$ 38,365</u>	<u>\$ 160,890</u>	<u>\$ 39,989</u>	<u>\$ 66,333</u>	<u>\$ 91,572</u>	<u>\$ 48,158</u>	<u>\$ 1,530,767</u>

VCU 2022-23 University Budget Plan Uses Summary

in thousands

FY 2022-2023 Uses	Educational & General Programs	Sponsored Programs		Auxiliary Enterprises	Qatar	University Funds	Student Financial Assistance	Hospital Services	Total University
		Direct Costs	Facilities & Admin. Costs						
Instruction	\$ 349,001	\$ -	\$ -	\$ -	\$ 39,989	\$ 5,875	\$ -	\$ -	\$ 394,865
Research	22,632	364,862	28,892	-	-	19,953	-	-	436,339
Public Service	4,112	-	-	-	-	2,316	-	-	6,428
Academic Support	122,616	-	489	-	-	17,060	-	-	140,165
Student Services	18,122	-	-	-	-	1,034	-	-	19,156
Institutional Support	84,797	-	1,862	-	-	8,730	-	-	95,389
Operation and Maintenance of Plant	66,206	-	3,201	-	-	634	-	1,000	71,041
Scholarships and Fellowships	49,856	-	1,716	-	-	10,731	82,700	-	145,003
Auxiliary Enterprises	-	-	-	168,861	-	-	-	-	168,861
Hospital Services	-	-	-	-	-	-	-	47,158	47,158
	-								
Subtotal Uses	717,342	364,862	36,160	168,861	39,989	66,333	82,700	48,158	1,524,405
Transfers in (out) ⁽¹⁾	-	-	-	(8,872)	-	-	8,872	-	-
Contingencies and Reserves	5,756	-	2,205	901	-	-	-	-	8,862
Total University Uses	\$ 723,098	\$ 364,862	\$ 38,365	\$ 160,890	\$ 39,989	\$ 66,333	\$ 91,572	\$ 48,158	\$ 1,533,267

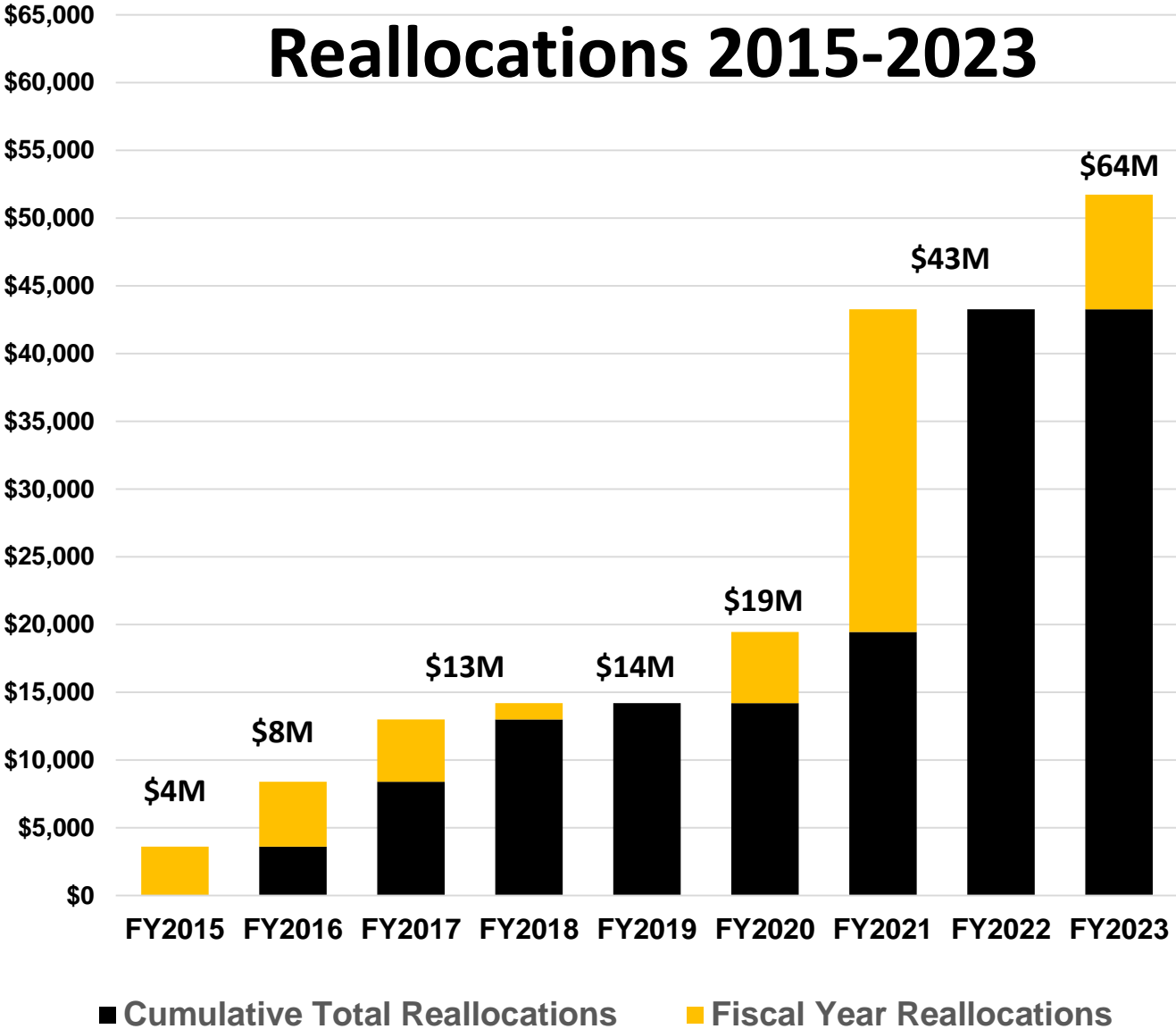
2023 Deferral and No Funding Decisions

Impacting student and faculty success

- Deferred market salary adjustment for university advisors
- Deferred investment in faculty recruitment and retention; Continued salary inequities for tenure and non-tenured faculty
- Deferred funding for a second year for library acquisitions
- Deferring funds to enhance online program growth
- Deferring funds to for strategic cluster hires

Impacting campus operations, health and safety

- Permanent funding shortfall for utility rate increases of \$2.3 million (used one-time savings for FY23 only)
- Permanent funding shortfall of \$.750M for Compliance



Examples of Efficiencies & Cost Savings

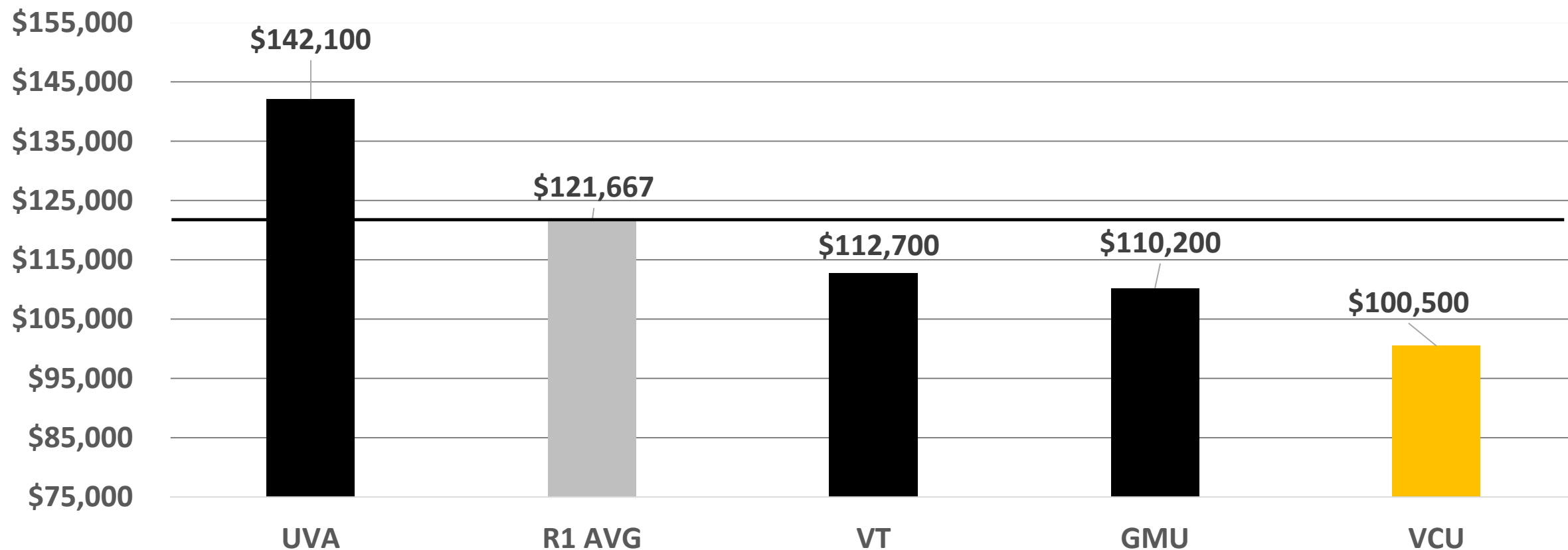
- **Focus on staff workload**, efficiencies, and services to students (Reallocation/Freezing of 62 FTE's)
- **Restructuring** of international student programs \$1.6M cumulative savings
- Efforts to find **efficiencies to streamline processes** (executive search and technology implementation)
- **Strategic procurement** (Approximately \$32M over the next 5 years), improved sourcing and contracting, early payment discounts and electronic payments, and VCU's share of savings negotiated by the VHEPC

Examples of Efficiencies & Cost Savings *continued*

- **Energy Conservation Contract with guaranteed savings of \$1M each year (\$17.9M in total)** with updates to existing buildings to reduce energy consumption
- **Reduction of space and leases \$150k** (Cumulative FY22 & FY23)
- Reimagined Faculty & Staff development opportunities limiting travel; **Travel Spending savings** of \$20M since 2019
- **Participation in VIVA** (library journal subscription costs) saves \$2.7M annually
- **Centralization** of material purchases facilities saves \$150k annually

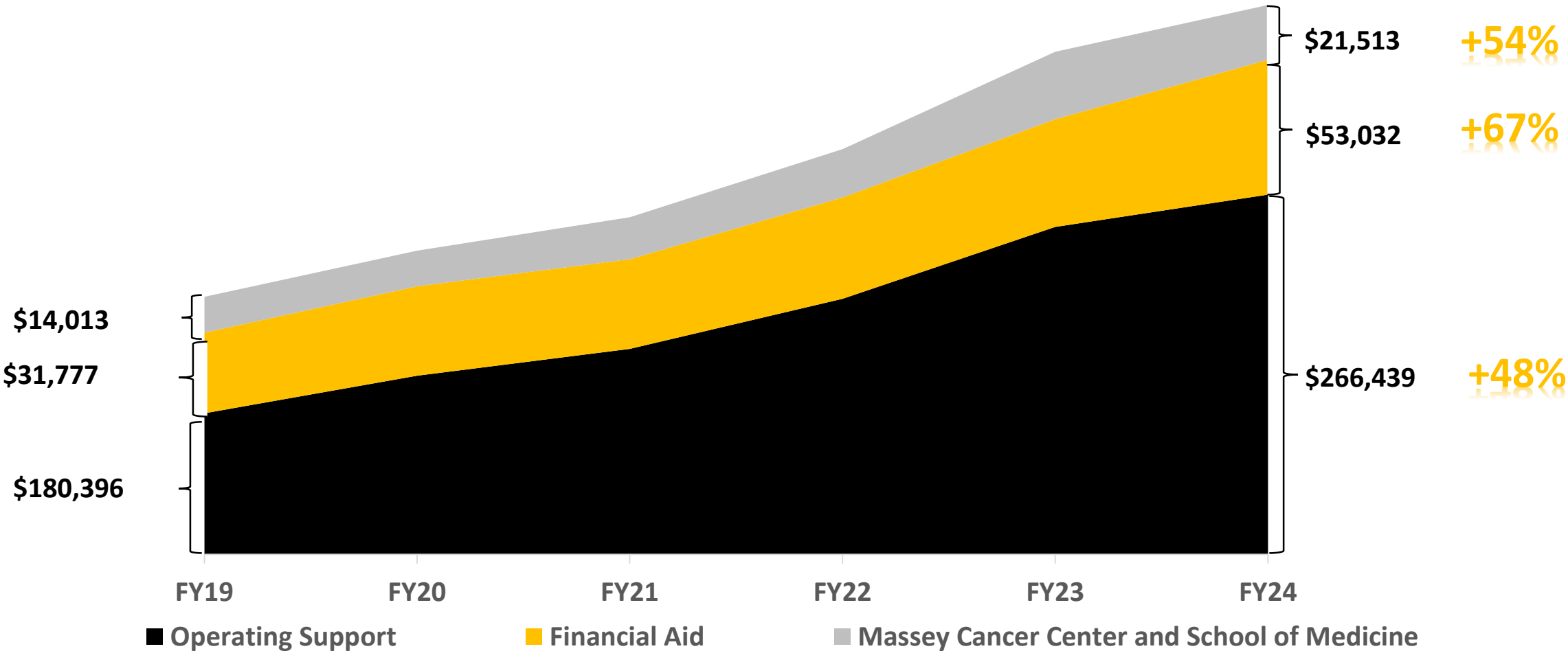
Average Faculty Salaries at VA R-1 Institutions

Based on 2022 AAUP data all ranks



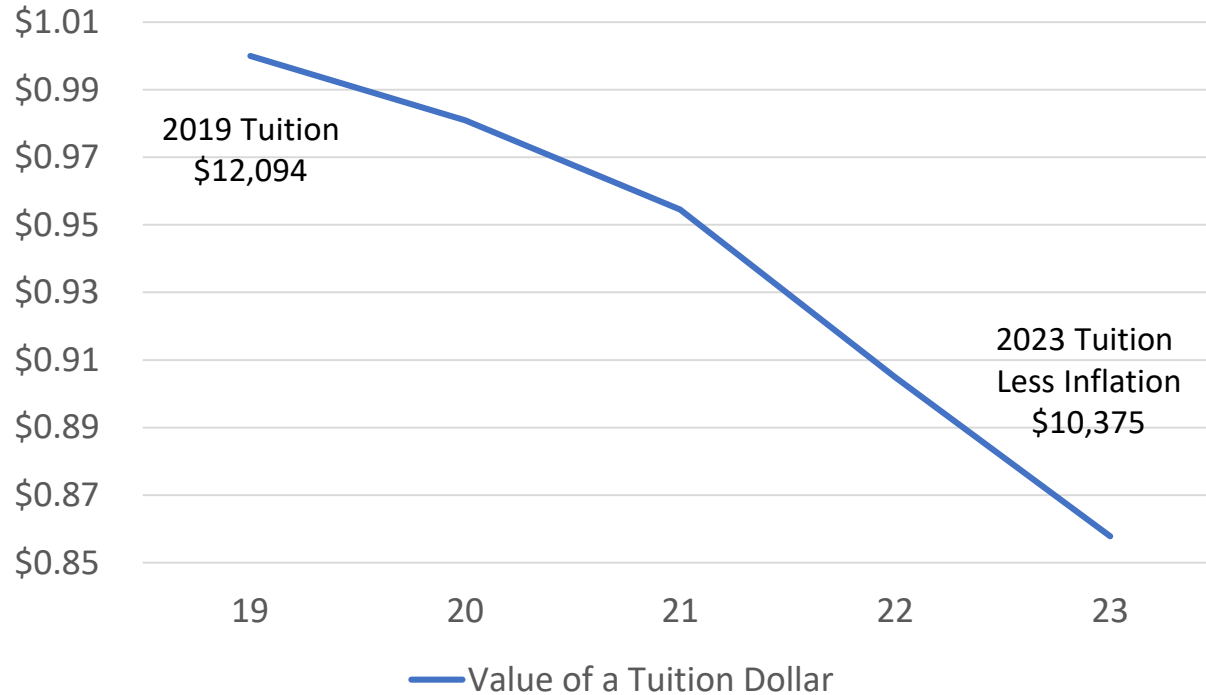
To reach average tenure and tenure-track faculty levels requires an additional total cost of \$40M

Growth in State Support *in thousands*

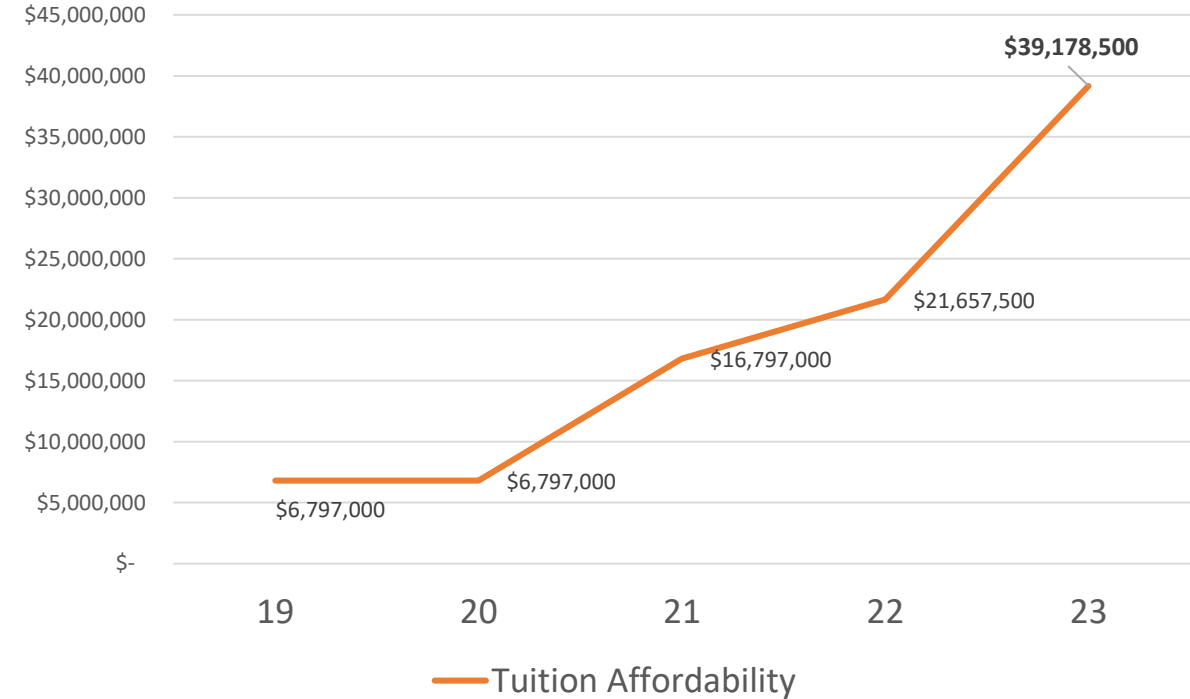


Impact of HEPI Inflation on Tuition with New State Funds

Impacts of Inflation on Tuition



Growth in State Tuition Affordability Funds



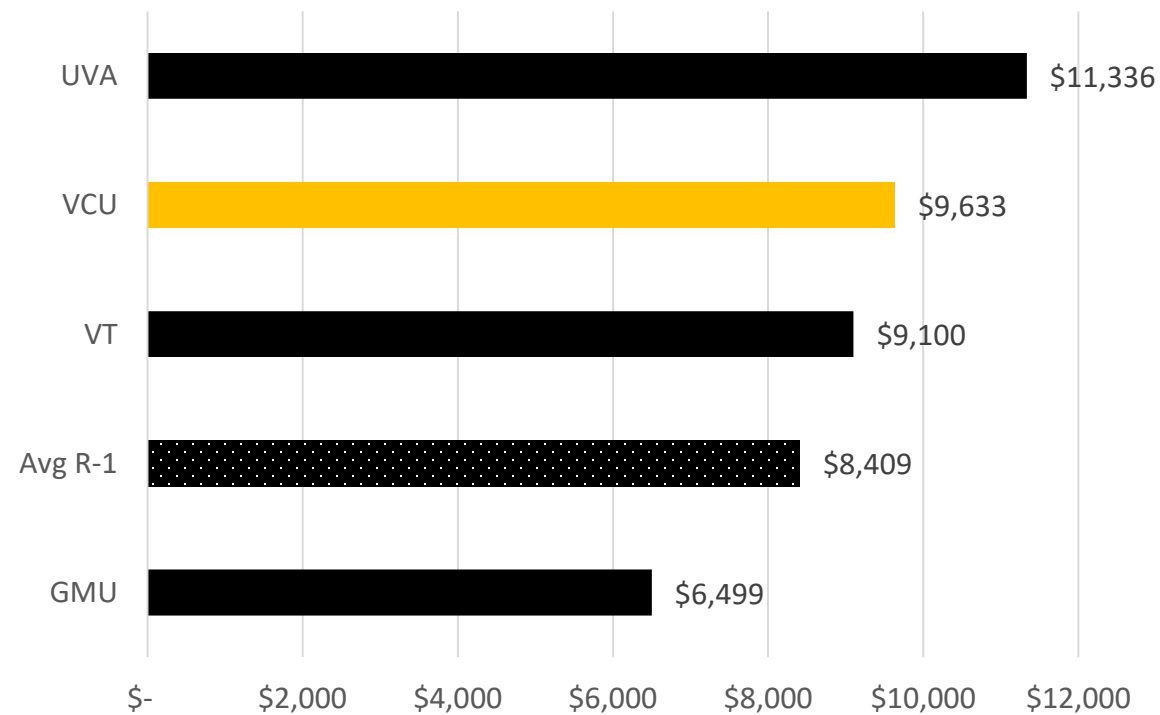
Inflation loss of \$55.2M in tuition spending power

Gain of \$39M in Tuition Moderation State Funding

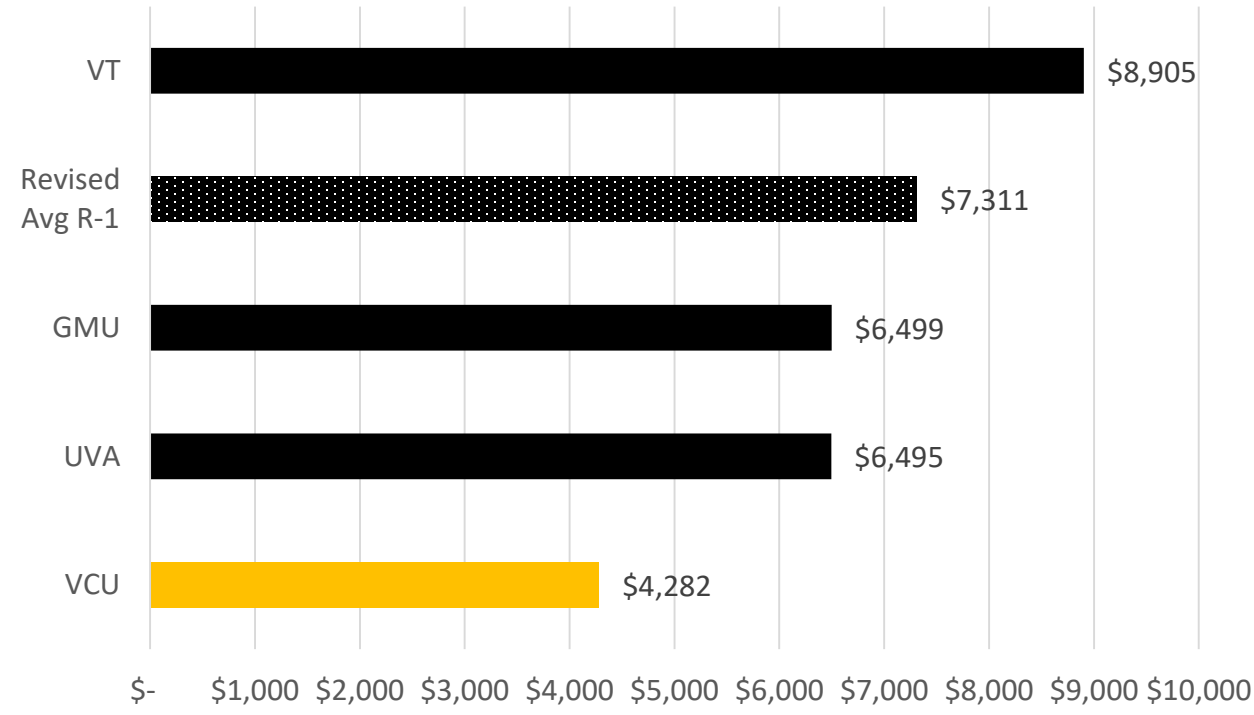
Loss of \$16M in tuition spending power
with an increase in state funds

Structural Equity Adjustment

2022 State Funding by Fall 21 In-State FTE



2022 State Funding by Fall 21 In-State FTE adjusted for Vet Med, Medical, Pharmacy, Dentistry State Funding

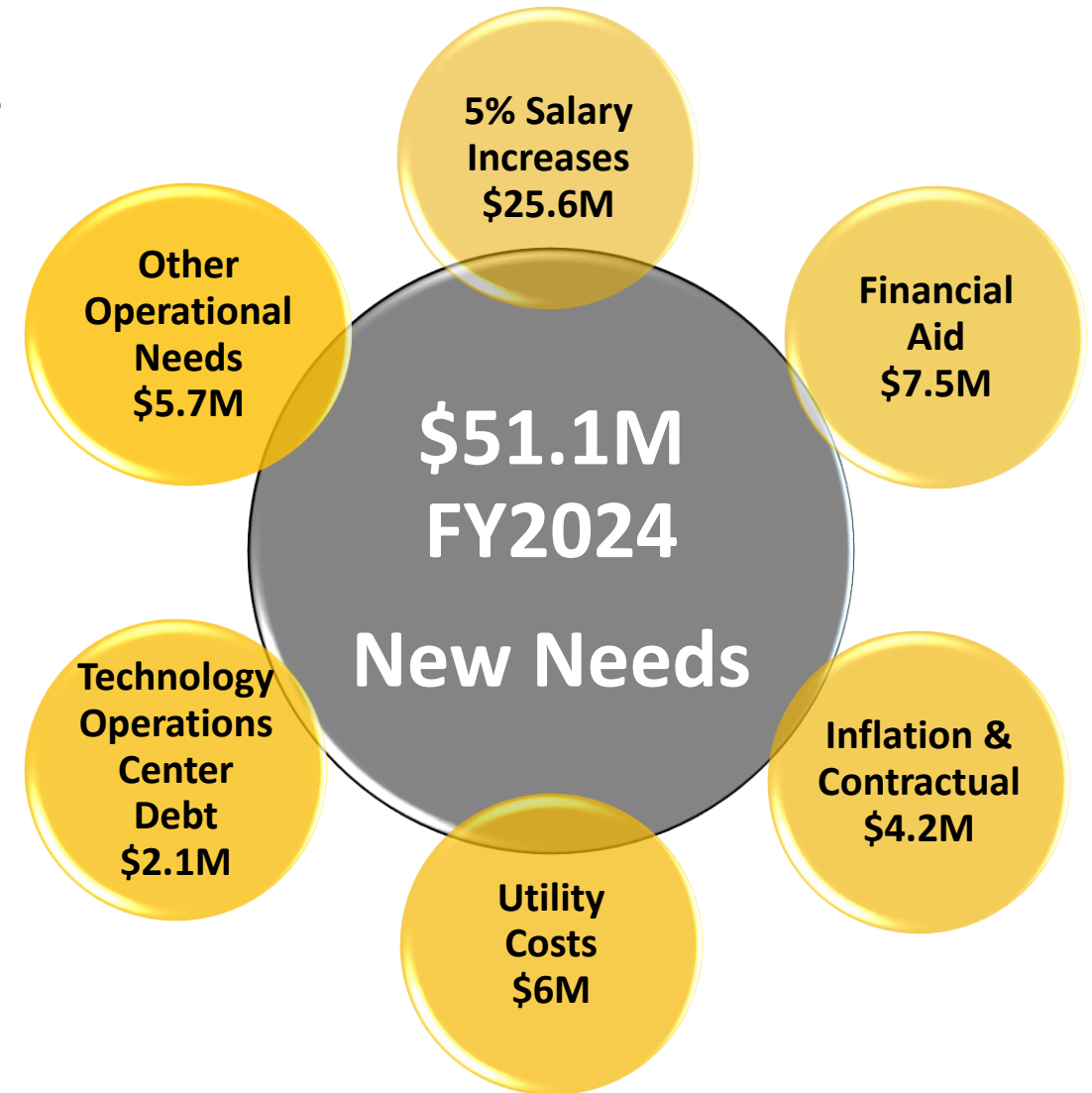


- The revised right hand table presents adjusted state budgets for schools of Veterinary Medicine, Medicine, Pharmacy, and Dentistry. Law Schools are excluded as they are often expected to be self supported
- VT funding has been adjusted for their Vet program along with an assumed 40% overhead for that program.
- Other first professional programs as defined by SCHEV are not included including, Chiropractic, osteopathic medicine (VT's program is a 501c3), rabbinical and Talmudic studies, podiatry, divinity/ministry. Currently, not other R-1 Universities have these programs.

FY2024 Budget

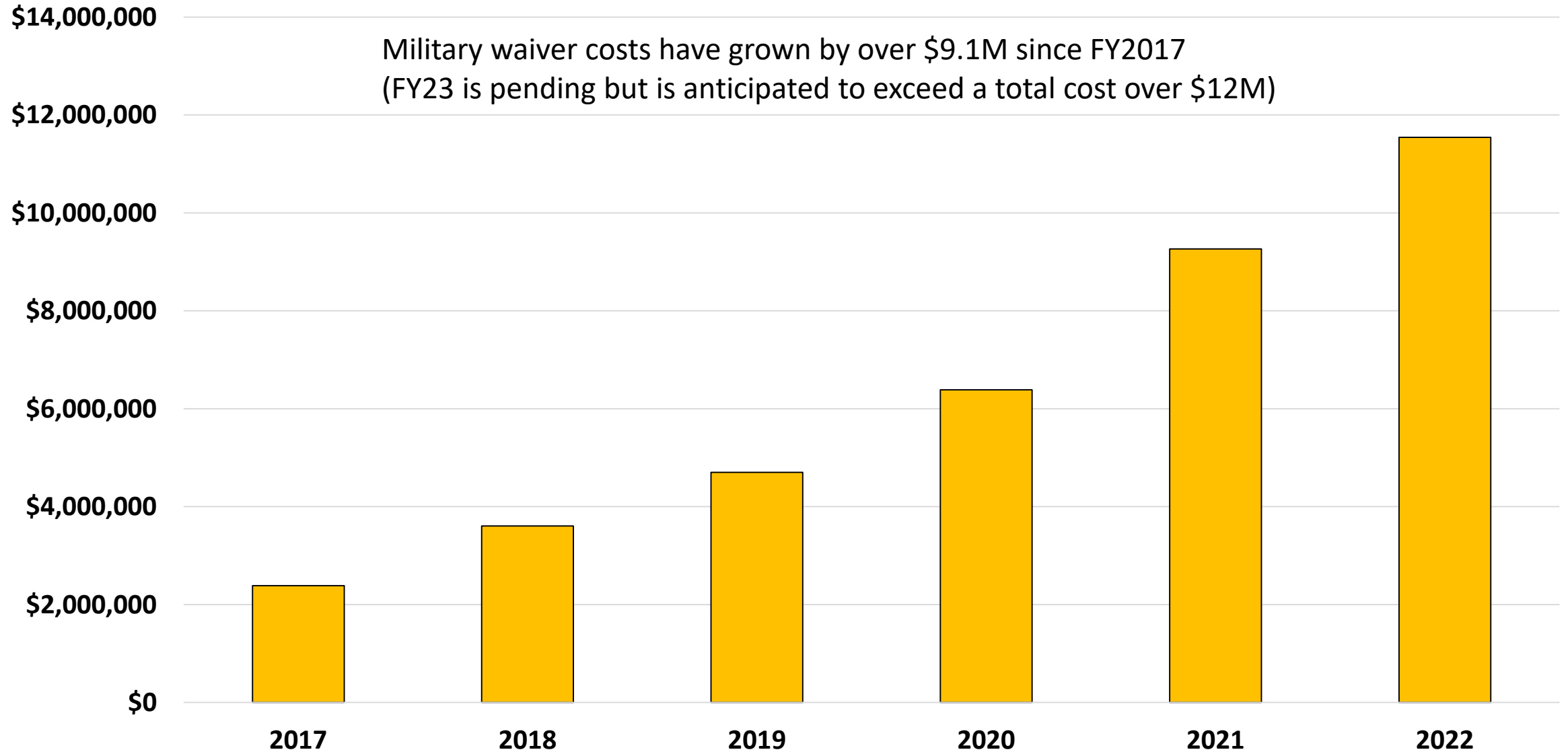
New Critical Needs & Inflationary Costs

- 5% Salary increases total cost \$25.6M
- Financial Aid \$7.5M (In addition to state aid)
- Inflation & Contractual \$4.2M
- Utility Costs \$6M
- Technology Operations Center Debt \$2.1M
- Other Operational Needs \$5.7M



Growth in Military Waivers

VCU cost share



FY2024 E&G Budget Overview

	1st State Scenario 0% Tuition Inc.	1st State Scenario & 3% Tuition Inc.	1st State Scenario & 5% Tuition Inc.	2nd State Scenario 0% Tuition Inc.
FY24 Projected Revenue				
Tuition & Enrollment	\$ 2,028	\$ 12,947	\$ 20,227	\$ 2,028
New State Operational Support	17,521	17,521	17,521	23,481
5% Salary Increase (49%)	12,469	12,469	12,469	12,469
State Full Funding 5% Salary increase				13,141
Total Revenue Growth	32,018	42,937	50,217	51,119
FY24 Projected Needs				
5% Salary Increases	\$ (25,610)	\$ (25,610)	\$ (25,610)	\$ (25,610)
Strategic Investments & Inflationary Costs	(25,509)	(25,509)	(25,509)	(25,509)
New Expense Needs (W/ 5% Salary)	(51,119)	(51,119)	(51,119)	(51,119)
University Reallocations	(19,101)	(8,182)	(902)	-

FY2024 E&G Budget Overview

VCU FY 2024 State Budget Scenarios With Governors Introduced Budget

	Gov State Scenario 0% Tuition Inc.		Gov State Scenario 0% Tuition Inc.		Gov State Scenario 0% Tuition Inc.		Gov State Scenario & 3% Tuition Inc.		Gov State Scenario & 3% Tuition Inc.		Gov State Scenario 3% Tuition Inc.	
FY24 Projected Revenue												
Tuition & Enrollment	\$	2,028	\$	2,028	\$	2,028	\$	12,947	\$	12,947	\$	12,947
New State Operational Support		10,000		12,000		17,521		10,000		12,000		17,521
5% Salary Increase (49%)		12,469		12,469		12,470		12,469		12,469		12,470
State Full Funding 5% Salary increase										-		
Total Revenue Growth		24,497		26,497		32,019		35,416		37,416		42,938
FY24 Projected Needs												
5% Salary Increases	\$	(25,610)	\$	(25,610)	\$	(25,610)	\$	(25,610)	\$	(25,610)	\$	(25,610)
Strategic Investments & Inflationary Costs		(25,509)		(25,509)		(25,509)		(25,509)		(25,509)		(25,509)
New Expense Needs (W/ 5% Salary)		(51,119)		(51,119)		(51,119)		(51,119)		(51,119)		(51,119)
University Reallocations		(26,622)		(24,622)		(19,100)		(15,703)		(13,703)		(8,181)
Projected Net Reallocations (1% is \$5.8M)		-4.6%		-4.2%		-3.3%		-2.7%		-2.4%		-1.4%

FY2024 Budget

Currently Unfunded Needs for Student Services & Innovation:

- Recruit and retain counseling staff and eliminate salary inequity in University Counseling Services as demand rises nationally (\$1.6M)
- Sustain new online mental health services and replace HEERF monies funding the 2023 launch (\$480k)
- Expand online education and curricular innovation to enhance student recruitment, geographic reach and student retention (\$6M)
- Enhance student success, research growth and rankings with added tenure-eligible high impact faculty positions (cluster hiring model (\$6M))
- Non-utility inflationary growth for operations