**VIRGINIA TECH BOARD OF VISITORS RETREAT
MINUTES**

**Sunday, August 29, 2021
Hahn Horticulture Garden
200 Garden Lane
Blacksburg, Virginia**

Board Members Present*   **Absent**
Letitia Long (Rector)   Ed Baine (Vice Rector)
Shelley Barlow   Anna James
Carrie Chenery   Mehul Sanghani
Greta Harris   Jeff Veatch
C. T. Hill
Sharon Martin
Melissa Nelson
L. Chris Petersen
Horacio Valeiras
Preston White

[*Note: For board members attending this retreat, SCHEV approved this retreat as fulfilling the requirement for additional training on board governance at least once every two years for board members at public institutions of higher education (§23.1-1304, Code of Virginia).]

Constituent Representatives Present:
Paolo Fermin, Undergraduate Representative to the Board
Phil Miskovic, Graduate/Professional Representative to the Board
Serena Young, Staff Representative to the Board
Robert Weiss, Faculty Representative to the Board

Also present were: President Tim Sands, Catherine Amelink, Cyril Clarke, Al Cooper, Corey Earles, Kari Evans, Bryan Garey, Kay Heidbreder, Rachel Holloway, Chris Kiwus, Sharon Kurek, Ken Miller, Kim O'Rourke, Mark Owczarski, Dwayne Pinkney, Menah Pratt-Clarke, Donna Ratcliffe, Susan Short, Frank Shushok, and Tracy Vosburgh.

Rector Long convened the open meeting at 12:07 p.m. and made introductory comments, explaining that the retreat would be conducted in two parts. There was no public comment period. Rector Long thanked board members Ed Baine and Melissa Nelson for leading the planning committee for the retreat; regrettably, a recent injury prevented Mr. Baine from attending.

Part 1 began with a presentation by Dr. Dwayne Pinkney, Senior Vice President and Chief Business Officer, and Mr. Ken Miller, Vice President for Finance. Rector Long introduced the presentation, noting that this will be the first of a series of discussions intending to lead to a comprehensive strategy that will include all of the university's financial resources, including a multi-year tuition plan, to address the university's highest priorities and opportunities that arise. Dr. Pinkney explained that the presentation would not tie specific initiatives to tuition. Rather, it is intended to provide a clear framework for how decisions are made.   Overall, the university's budget is $1.9 billion from all sources combined. One component of revenue is out-of-state student tuition. The state has set in-state student enrollment in 2018 as the baseline below which in-state enrollment cannot drop. VT is permitted to grow out-of-state enrollment incrementally by 1 percent per year; out-of-state enrollment is approximately 30 percent currently. As opportunities present themselves, VT must be flexible and nimble in reconsidering/reordering priorities. The greatest use of funds is personnel costs, which consume about 80 percent of the total budget, leaving 20 percent for other expenses. Dr. Pinkney showed a slide including an illustrative, not exhaustive, list of high-priority initiatives for the next six years and another slide showing the projected pace of investment needed. Provost Clarke noted that affixing specific budget numbers to each item is very difficult because many are intertwined. For example, experiential learning may lead to bridge experiences, which may require locating elsewhere and some online learning, requiring software and IT support, etc.   Ken Miller demonstrated a model showing budgetary impacts as the individual elements of revenue are varied. Provost Clarke noted that the university will explore the next phase of enrollment growth, how to increase capacity and ensure high-quality instruction. A question posed was whether VT could accommodate 500 additional students today. Provost Clarke responded that the university could support 300 additional students. Dr. Shushok noted that providing housing for more first-year students would reduce the number of upper-year students who could return to on-campus housing and would also put pressure on dining halls, counseling services, the bus system, etc. Speaking as a former resident advisor in a living-learning community, Paolo Fermin added that a reduction in the number of returning students would be detrimental to a living-learning community.   Provost Clarke recalled that the goal had been to reach enrollment of 30,000 by 2023, but VT grew faster than anticipated and has already attained that goal. VT is obligated to grow computer science and computer engineering, which would mean reducing enrollment in other programs if there were not overall growth. Nevertheless, there are internal and external capacity considerations. The plan for the next admissions cycle is to grow enrollment to 30,300. President Sands noted the need to explore whether those 300 students need to be in Blacksburg. Questions were raised about the PIBB budgeting model, whether any programs have been eliminated, and how much of the budget is discretionary. The PIBB model has worked well in terms of directing funds to programs in need of them; yet, it is not nimble. The PIBB applies to academic colleges only. Dr. Pinkney added that the administrative areas went through a three percent reallocation process last year. Provost Clarke noted that SCHEV reviews all programs on a regular cycle and VT considers all programs annually to determine whether any should be discontinued. Of the $800 million base, 80 percent is expended on personnel, but the remaining 20 percent is not entirely discretionary.

Part 2 addressed the Covid experience and began with a presentation by Dr. Rachel Holloway, Vice Provost for Undergraduate Academic Affairs, and Dr. Frank Shushok, Vice President for Student Affairs, that covered the following topics from the perspective of challenges and opportunities encountered by students during the pandemic.

- Student health and wellbeing
- Effectiveness of online and hybrid instructional delivery
- Student advisement
- Academic standards and integrity
- Student access to learning and extracurricular life
- How the sense of community that sets Virginia Tech apart is nurtured and perpetuated

This main topic of the retreat focused on lessons learned from and initiatives accelerated by the pandemic that can be leveraged going forward.

In sum, the university learned that we can deliver services and certain experiences successfully in a virtual environment, but not develop relationships. Examples of some of the successes: In terms of student engagement, we can expand access, particularly in Northern Virginia and Roanoke. Over 1000 students happily met with a therapy dog virtually. Over 100 group fitness classes per week were offered virtually, and some of the participants would have been reluctant to attend in-person fitness classes. Orientation was entirely online, and all of the activities that typically occurred during orientation were shifted to Welcome Week, which had a tremendous turnout. Sophomore and transfer students were invited to Welcome Week this year, and that practice will be continued. Academic advising was delivered successfully remotely with the logistical hassles removed; advising will be offered through a hybrid model this year. In the career center, there was a great increase in the number of students participating in virtual information sessions with employers. There was also successful engagement of guest speakers, alumni, and other professionals virtually. Unfortunately, there was also an increase in undergraduate academic integrity violation reports, which is consistent with the national experience. This indicates that faculty remained diligent in reporting violations throughout the pandemic. However, it was learned that students are less likely to make poor choices, such as academic integrity violations, if they feel connected to a faculty member and engaged. If VT is seen as a caring community, the rest of the pieces tend to fall into place. The students are incredibly happy to be back on campus this fall. The university had a history of strong online courses before the pandemic. However, it required a tremendous amount of work to deliver courses fully online well. Some faculty were better prepared than others. Many reported that it would take them four times longer to prepare to deliver classes remotely. The number of fully online classes has increased two percent over the pre-pandemic number. A certain number of faculty need to continue online delivery due to health considerations. Paolo Fermin added the students' enthusiasm to be back on campus is palpable; it is not possible to find friends or form study groups through Zoom.

The presentations set the stage for further discussion and were followed by two break-out sessions during which the board members were divided into two groups to consider the questions below. Following each break-out session, the board reassembled for a plenary discussion of the topics.

Breakout Session 1 –

During session 1, President Sands, Provost Clarke, SVP Dwayne Pinkney, and VP Pratt-Clarke rotated between groups A and B.

Group A:
Horacio Valeiras – BOV Discussion Leader
Donna Ratcliffe – Resource/Scribe - Director of Career and Professional Development

Participants:

BOV: Tish Long   VT: Rachel Holloway
Sharon Martin   Chris Kiwus
Preston White   Ken Miller
Paolo Fermin   Sharon Kurek
Robert Weiss   Frank Shushok

1. From an employer perspective, how would you structure **internship and cooperative (co-op) education programs** to ensure that Virginia Tech graduates are set up for success in your organization?
   a. How can these opportunities be provided without delaying time to graduation?
   b. If they are compensated, how can students still earn course credit towards their majors?
   c. Can they be structured so that the net financial outcome favors a reduction in educational debt at graduation?

   Sharon Martin summarized the group's discussion. The topic is very timely as this issue is of great interest at the state level. Whereas 20 years ago, half of students worked during high school; today, only 20 percent of students worked during high school. Since 80 percent of students come to college with no work experience, internship and co-op opportunities are more important than ever. Employers consider work experience to be extremely valuable. However, there are several obstacles that can prevent students from participating in co-op and internship experiences. Apartment complexes typically do not permit subleasing. The absence from campus may extend a student's time to graduation if the required course sequence is interrupted. Those internships that are unpaid may not be accessible to students who would not have the means to pay their living expenses. Some ideas proposed include taking classes in the summer to stay on track for graduation, getting academic credit for the work experience, or being able to take online classes while students work. Also, employers need to open internships and co-op opportunities to a broader range of majors.

Group B:

Melissa Nelson – BOV Discussion Leader
Catherine Amelink – Resource/Scribe - Associate Vice Provost for Learning Systems
  Innovation

Participants:

BOV: Shelley Barlow   VT: Bryan Garey
       Carrie Chenery   Kay Heidbreder
       Greta Harris   Kim O'Rourke
       C. T. Hill   Susan Short
       Chris Petersen   Don Taylor
       Phil Miskovic
       Serena Young

2. Should Virginia Tech place more emphasis on **lifelong learning** of postgraduates, including alumni? Thinking about your organization specifically, what opportunities are there for Virginia Tech to address the ongoing learning needs for your incumbent employee base?
   a. What mode of instructional delivery (online, hybrid or in-person) or combination thereof is best suited to such employees?
   b. Would there be sufficient benefit for employers to justify them paying for employees' tuition?
   c. How important is it that the learning be certified by a university credential versus one provided by an organization not accredited by a Department of Education-recognized entity, and would a credential such as a badge or certificate be valued?

   Melissa Nelson summarized the group's discussion. They considered the reasons why individuals would want to come to VT to pursue lifelong learning objectives: to re-tool and the VT brand. VT's goals in offering lifelong learning opportunities include revenue generation and growing the Hokie Nation. Engaging and educating alumni and the community are part of VT's land-grant mission to serve the community. Reasons people seek to re-tool include: executive leadership; personal interest, professional development, community and economic development, and preparation for mid-career change. VT's brand is based on the quality of faculty; loyalty, which includes non-alumni who want to be part of the Hokie Nation; reliability; a reputation for serving the underserved; and the positive attention brought by Amazon's decision to locate its second headquarters in Virginia. Questions to be answered are what programs would employers be willing to sponsor, and whether financial aid might be available.

Breakout Session 2

During session 2, President Sands VP Pratt-Clarke rotated between Groups C and D.

<u>Group C</u>:

Greta Harris – BOV Discussion Leader
Rachel Holloway – Resource/Scribe - Vice Provost for Undergraduate Academic Affairs

    <u>Participants</u>:

BOV:	Carrie Chenery	VT:	Cyril Clarke
	Tish Long		Catherine Amelink
	Melissa Nelson		Ken Miller
	Chris Petersen		Susan Short
	Paolo Fermin		Frank Shushok
	Phil Miskovic		Don Taylor

3. During the pandemic, we greatly expanded our experience in online delivery, including synchronous, asynchronous and hybrid modes. Our faculty and students learned what can be done easily with acceptable effectiveness, and what would require significant investment to become equivalent to or superior to traditional in-person learning in terms of quality.

   a. Based on your career experience and assuming that the educational experience of students often is diminished when fully online, what do you believe is the appropriate **mix of instructional modes** for Virginia Tech at the undergraduate and professional master level?

   b. Assuming that there is a strong case for expansion of online learning, how do you think this could best be accomplished from an organizational perspective? For example, should a separate entity be created within or affiliated with the university that is devoted entirely to online instruction, or should existing units such as Technology-enhanced Learning and Online Strategies (TLOS) continue to serve as a resource in support of online learning, but in an expanded form? An example of the former is Purdue University Global (see https://kaplan.com/individuals/earn-a-degree/).

   c. Should tuition for online learning be charged at a different rate than in-person learning?

   Greta Harris summarized the group's discussion. It is useful to start with the end in mind. What is the goal? Is it flexibility in the learning experience? Is it to engage more citizens of Virginia in a learning relationship with Virginia Tech? Whether instruction is in person, online, or a hybrid, VT must be about excellence and service. An intentional investment of time, intellect, and resources is necessary to create the best quality. VT is at the beginning stage of exploring what is possible; this should be a priority.

Group D:

Chris Petersen – BOV Discussion Leader
Bryan Garey – Resource/Scribe - Vice President for Human Resources

Participants:

BOV: Shelley Barlow   VT: Dwayne Pinkney
        C. T. Hill   Kay Heidbreder
        Sharon Martin   Chris Kiwus
        Horacio Valeiras   Sharon Kurek
        Preston White   Kim O'Rourke
        Robert Weiss   Donna Ratcliffe
        Serena Young

4. Remote work, like remote teaching and learning, is more plausible at scale after the pandemic experience. Like all organizations, Virginia Tech is gearing up for a post-pandemic workforce with some mix of on-site, hybrid and remote roles for individuals and for units. What lessons have you learned (or are you learning) that we should consider as we plan and pilot the **future of work** at Virginia Tech? Bear in mind that a relatively small number of employees already work remotely full-time, from various locations within the US.
    a. What kinds of job duties are better suited to remote work?
    b. In anticipation of there being more employees engaged in remote work, how is this likely to change Virginia Tech's space planning in regard to its sufficiency, type and management?
    c. How should we expect an increase in remote work to affect the market for university employees in regard to availability and personnel cost?

    Bryan Garey summarized the group's discussion. They considered the suitability and impact of hybrid/remote work and the changing workforce. Meeting the requirements of the job should be first and foremost. What does VT need from the roles in the organization based on the function of a given unit? However, individual preferences also need to be considered. Remote/hybrid work is here to stay and is an important factor in recruitment and retention, so it must be addressed. This is complicated by the fact that managers and the workforce sometimes have different perspectives. Some work cannot be performed remotely; remote work is more suitable for process-driven roles. Regarding impact, it is also important to preserve the VT brand, which is characterized by service, innovation, and quality. It is difficult to maintain the culture in a remote work environment.   Relationships are built through collaboration, mentorship, and loyalty. Erosion of the brand can have impacts on philanthropy and much more. Another consideration is the impact on space. If half of the workforce works remotely, how will the newly freed space be utilized? Many more organizations, including VT, are experimenting with hoteling. In a remote environment, technology becomes even more critical. Will more IT professionals be needed, or will there be a need for them to be trained differently? Security of data and equipment becomes more

important. Should employees be required to use the employer's equipment when performing work? There is also the matter of equity and perceptions of equity. At VT, some of those employees who have been required to be at the workplace every day while others have had the flexibility do not feel that they have been treated equitably. For many years, workers have been paid differential rates based on the cost of living. Should a remote worker be paid based on cost of living of the employer or the employee? Are job performance and productivity being measured appropriately? The first step in creating policies about remote/hybrid work must be to develop a list of values/principles in order to ensure fairness for all.

The retreat concluded with a plenary session led by President Sands and Rector Long. President Sands noted that disruption, such as that caused by the pandemic, brings opportunities and risks. Among the risks in this situation is the incorrect assumption that it is possible to go back to the way things were in 2019 before the pandemic. On the other hand, opportunities can be found in what we learned from our learners (i.e., students) during the pandemic. The administration will take what they heard today, begin taking some actionable steps, and continue talking with the board. The Rector reinforced earlier statements by President Sands that Virginia Tech will emerge stronger from the pandemic by learning from the experience and when possible accelerating initiatives that were planned for the future.

The retreat was adjourned at 4:55 p.m.

<u>Virginia Tech Board of Visitors Meeting</u>

Retreat Agenda

Sunday, August 29, 2021
12:00 noon – 5:00 p.m.

Hahn Horticulture Gardens
Virginia Tech Campus

Part 1: Resource Planning for Virginia Tech Initiatives
- Dr. Dwayne Pinkney, Senior Vice President and Chief Business Officer
- Mr. Ken Miller, Vice President for Finance

Part 2: Conversation about the Covid Experience
- Dr. Rachel Holloway, Vice Provost for Undergraduate Academic Affairs
- Dr. Frank Shushok, Vice President for Student Affairs
  Presentation will be followed by break-out sessions.

Summary
- Ms. Tish Long, Rector
- Dr. Tim Sands, President

Multi-Year Operating Resource Development Planning

DWAYNE PINKNEY, SENIOR VICE PRESIDENT AND CBO

KEN MILLER, VICE PRESIDENT FOR FINANCE

AUGUST 29, 2021

Resource Overview & Trends

Public & Private Resources

2021-22 Budget $ in Millions

	State	In-State T&MF	Out-of-State T&MF	Program/Course Fees	Self-Generated	Private	Total
208 E&G	$214.7	$256.2	$309.6	$38.6	$60.6		$879.8
229 E&G	79.2				16.4		95.6
Student Financial Aid	25.0				13.3		38.3
Auxiliary Enterprises					355.7		355.7
Sponsored Programs	15.4				340.3		355.7
All Other Programs (UMA)	2.9				11.0		13.9
Subtotal Public Resources	337.2	256.2	309.6		797.3	-	1,739.0
Virginia Tech Foundation						193.4	193.4
Other University-Related Entities						29.4	29.4 *
Total	**$337.2**	**$256.2**	**$309.6**		**$797.3**	**$222.8**	**$1,961.8**
% of total	*17%*	*13%*	*16%*		*41%*	*11%*	

*estimated

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VIRGINIA TECH

Agency 208 Educational & General 2021-22 Revenue Sources
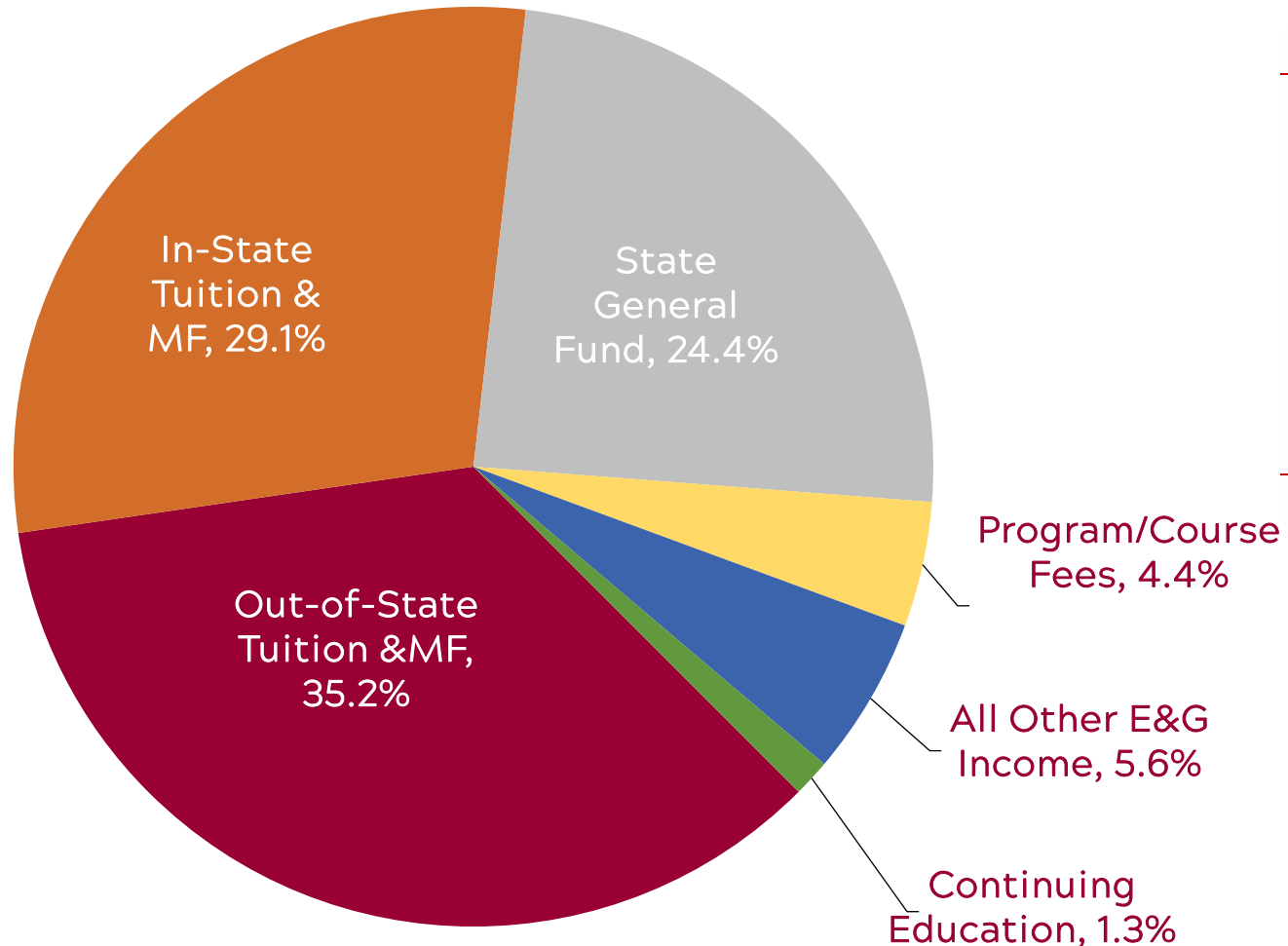
Revenue Components	$ Millions	%
Out-of-State Tuition & MF	309.6	35.2%
In-State Tuition & MF	256.2	29.1%
State General Fund	214.7	24.4%
Program/Course Fees	38.6	4.4%
All Other E&G Income	49.1	5.6%
Continuing Education	11.5	1.3%
Total 208 E&G Revenue	**879.8**	**100%**

Higher Education Policy Constructs

- Commonwealth policy intends to subsidize resident students.

  - Due to economic volatility and growth in other state budget drivers like Medicaid, the Commonwealth's ability to subsidize Virginia resident undergraduate education is inconsistent over time.

- Non-resident students must pay at least 100% of the average cost of education.

- Historic limitation on out-of-state enrollment.

 - Modified to provide additional flexibility in 2020.

Assessment of Current Funding

Resources per In-state Student

- Virginia subsidizes cost of Virginia Resident Undergraduate education
- State support has fallen, shifting burden to students/families
- In the current year, the university has $1,674 LESS per resident student than in 2000-01.

General Fund and Tuition and E&G Fees per In-State Undergraduate
HEPI Inflation Adjusted to 2000

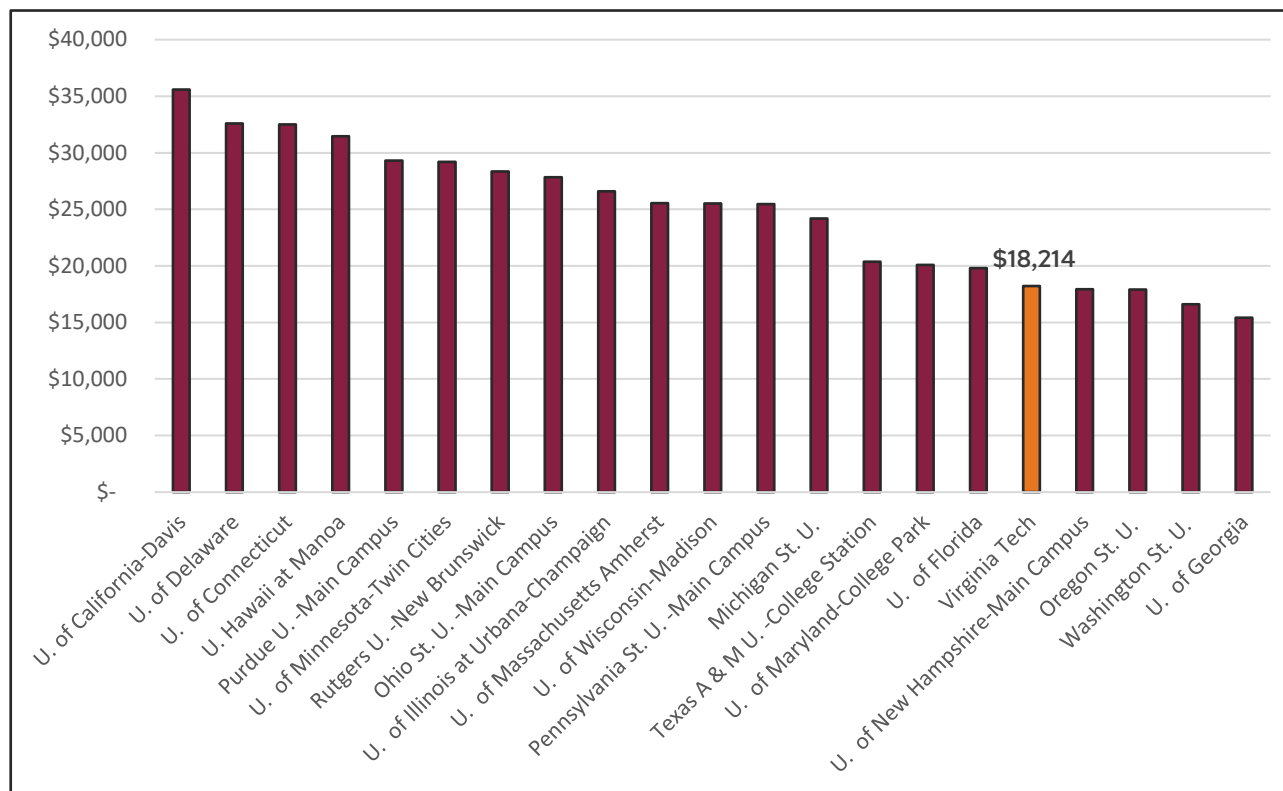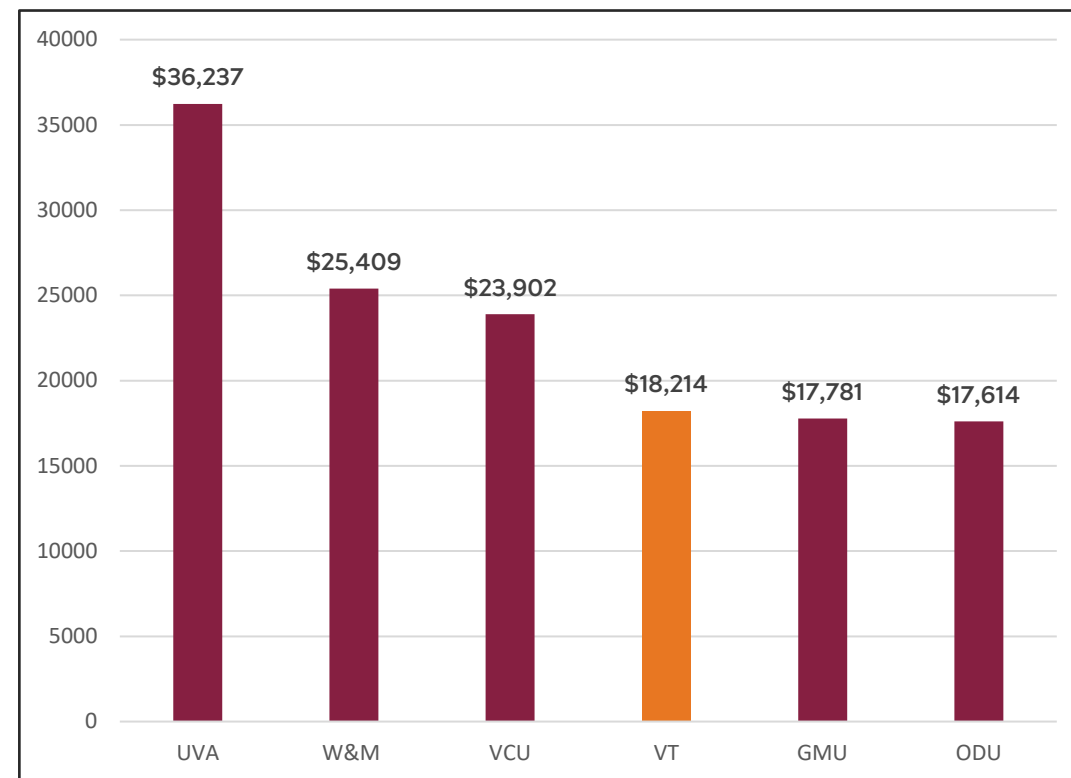■ Inflation Adjusted General Fund per Resident   ■ Inflation Adjusted T&F per Resident
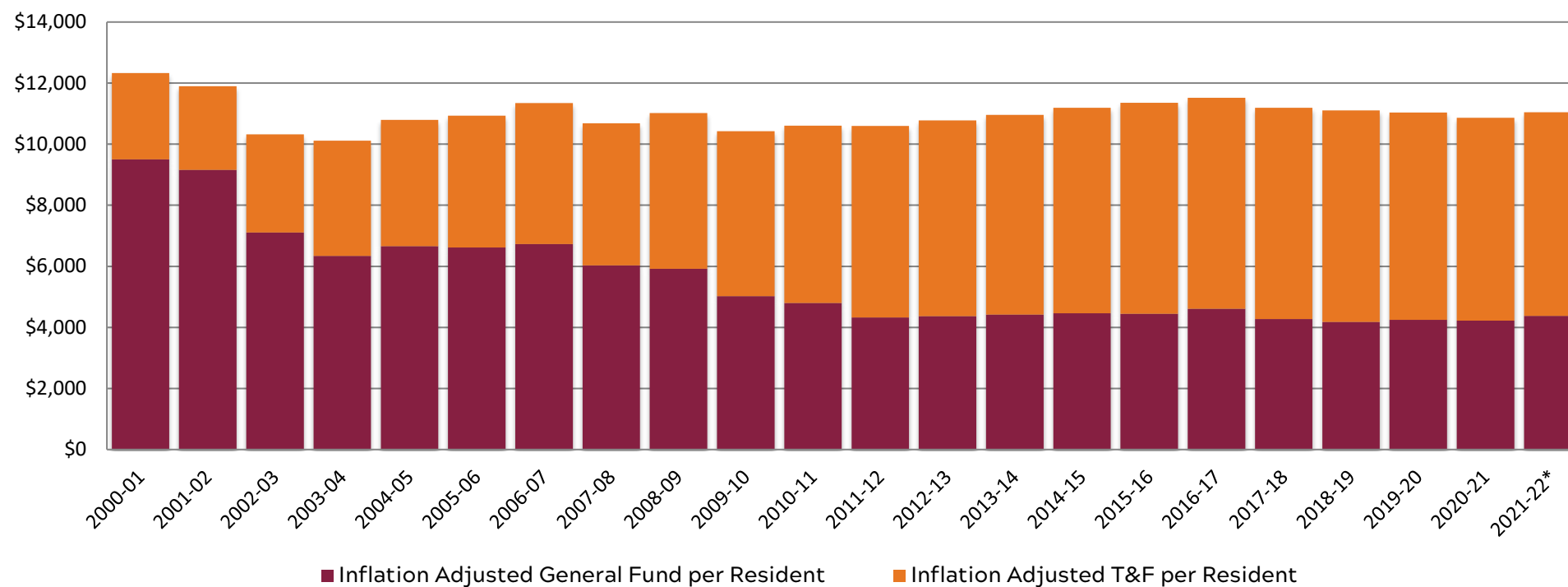
VT Value

- Among the top 20 Land Grant institutions in the nation, Virginia Tech's cost per degree year ranked among the lowest at $18,214 or $72,856 for a four-year bachelor's degree.
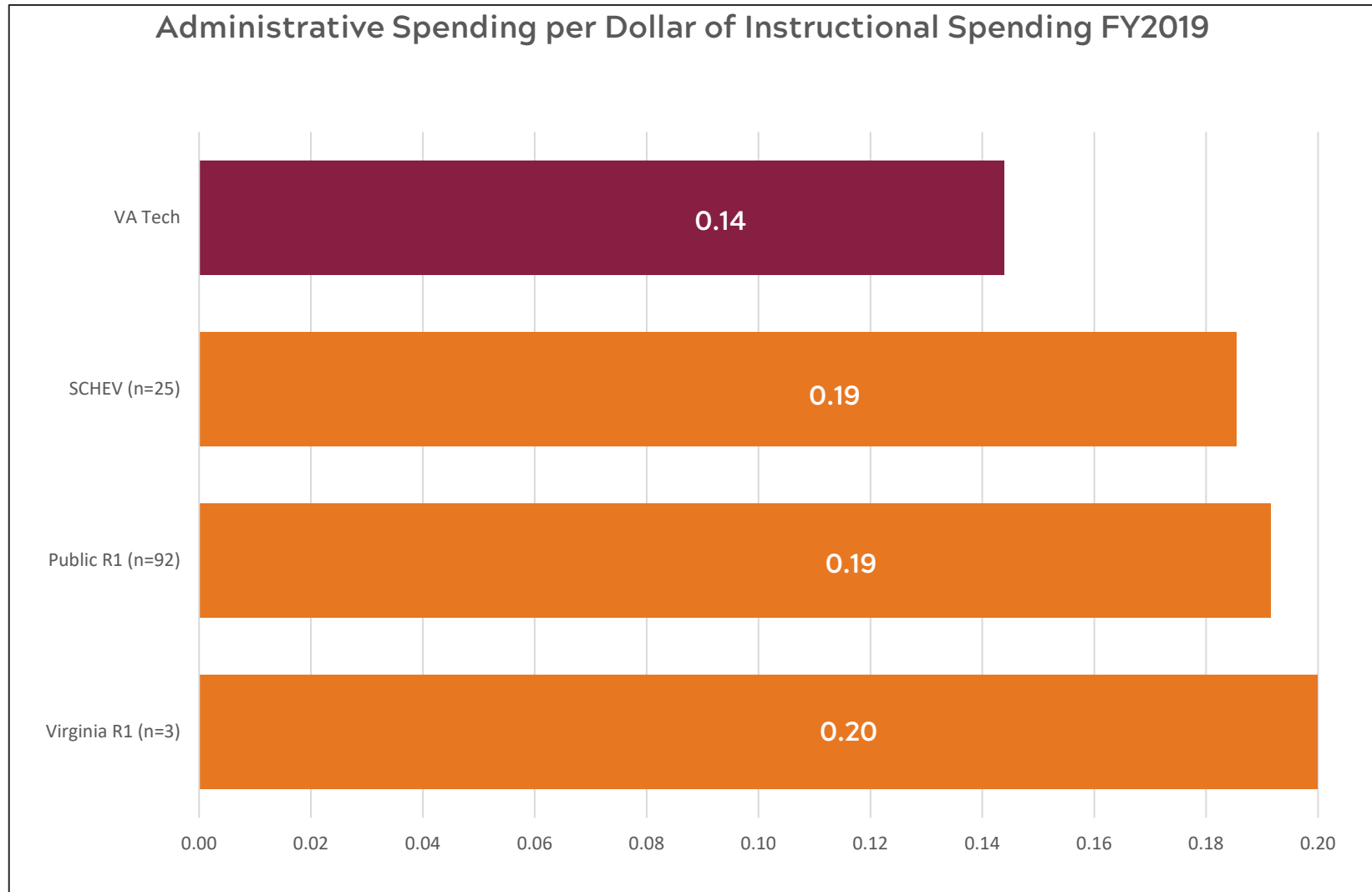
Cost Per Degree Year – 2019

Top 20 Land-Grants

Virginia Doctoral

VT Administrative Efficiency

Administrative Spending per Dollar of Instructional Spending FY2019

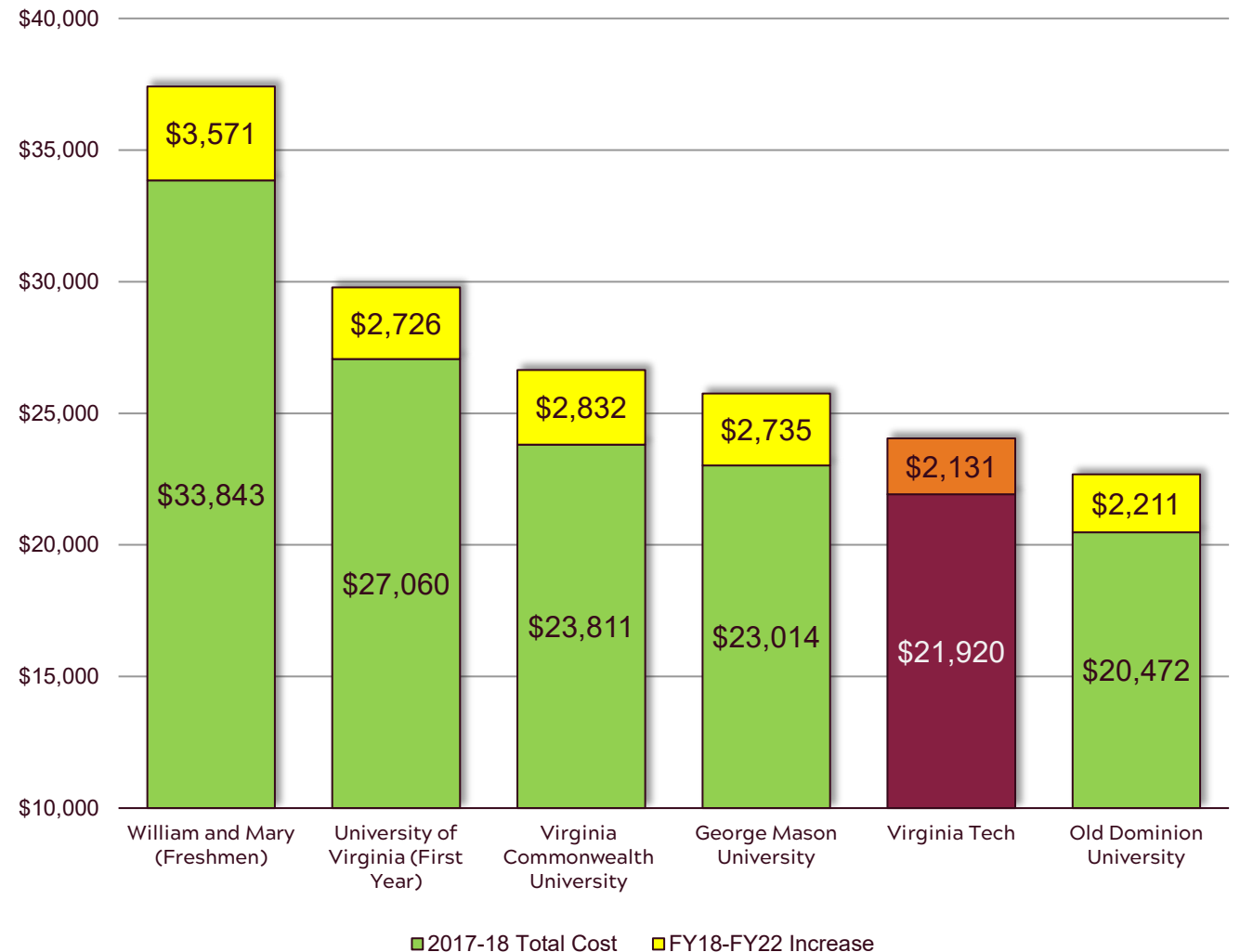|	
VA Tech	0.14
SCHEV (n=25)	0.19
Public R1 (n=92)	0.19
Virginia R1 (n=3)	0.20

Tuition & Fee Efficiency

Virginia Tech:

- 5th lowest total cost of VA Doctorals

- Lowest 5-year cumulative increase among VA Public Doctorals
  - Slower than inflation

- Froze tuition at the onset of the COVID-19 pandemic (FY20)

- Leverages cost mitigation with increased financial aid investments to expand affordability and access

In-state Undergraduate Total Cost
VA Public Doctoral Institutions

Institution	2017-18 Total Cost	FY18-FY22 Increase
William and Mary (Freshmen)	$33,843	$3,571
University of Virginia (First Year)	$27,060	$2,726
Virginia Commonwealth University	$23,811	$2,832
George Mason University	$23,014	$2,735
Virginia Tech	$21,920	$2,131
Old Dominion University	$20,472	$2,211

Legend: ■ 2017-18 Total Cost □ FY18-FY22 Increase

Virginia Tech Undergraduate Tuition and E&G Fees

In the last 5 years:
- CPI has increased 12.7%
- Tuition has increased 9.0%
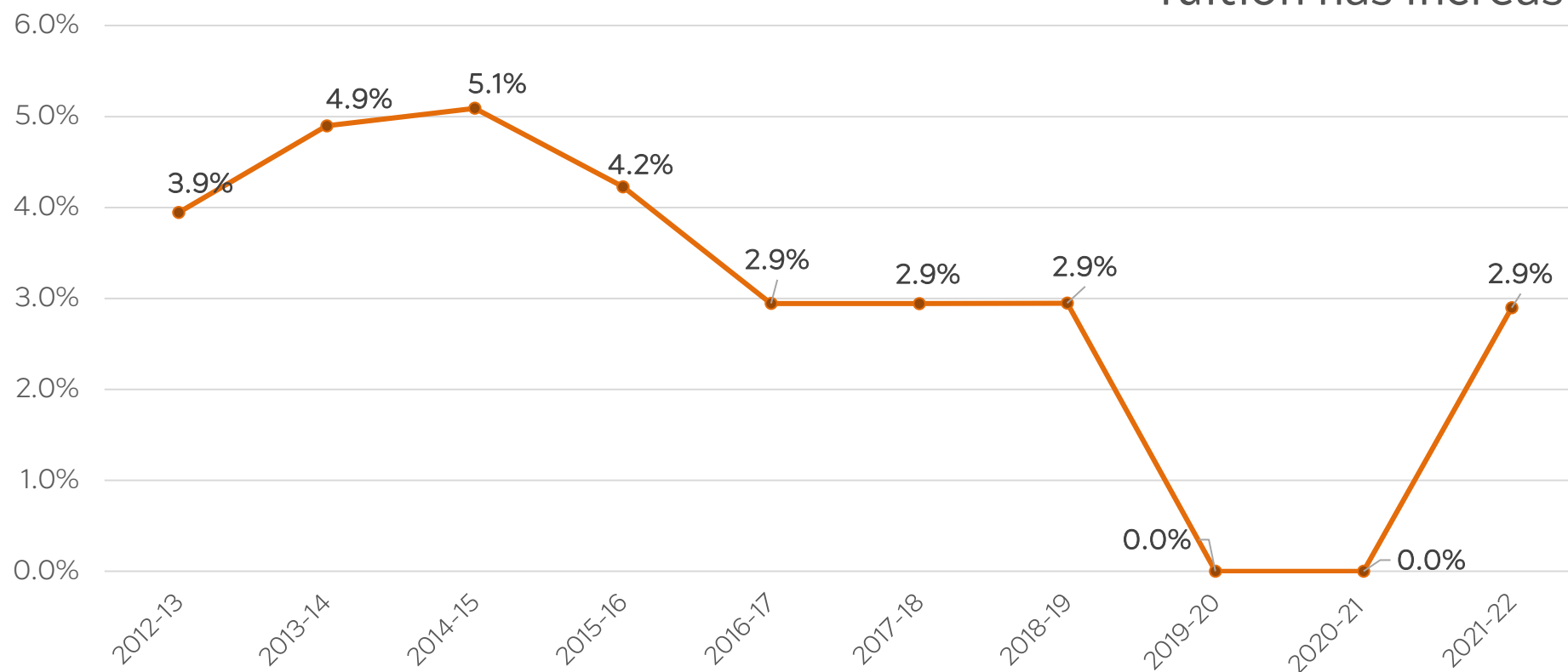
In FY20, state funding was provided to moderate tuition. In FY21, tuition was held level to be sensitive to the financial impacts of the pandemic.

Environment

Financial Management Strategy

- Goal is to maximize the achievement of the university's strategic plan

- Based on understanding of cost drivers, university develops resource plan.

  - How can existing resources be maximized?

  - Seek new resources

    - General Fund State (can be inconsistent)

    - Self-generated: grants, private, other

    - Enrollment management

  - <u>Last resort</u>: Tuition and Fee increase

Cost Drivers

2 Cost Pools

Inflation

Initiatives

Inflationary Cost Drivers

1. Compensation

   - Maintain market position (no progress)

   - Fringe benefit rate increases

2. Unavoidable Cost increases

   - Central fixed costs, contracts, subscriptions

3. Maintaining Student financial aid purchasing power

Totality of Resources <u>must</u> increase with inflation

$155 Million*
Estimate over Six-Years

- Program reductions results if total resources do not increase with inflation.

- Must be funded before initiatives

* Future inflation is unknown, 3% estimate for discussion purposes computed on 208 E&G $800M budget.

Initiatives Envisioned over next 6 years

Advance Regional, National, and Global Impact

To continue to leverage our strengths in research and academics, Virginia Tech will implement new initiatives to bolster recruitment of mid-career faculty and retention of early-career faculty, advancement of student-centered experiential learning, and expansion of graduate enrollment in high demand disciplines. This also includes advancement of strategic Academic Initiatives, Health Sciences, Research Frontiers, Academic Support, and Library.

Exemplify the Ut Prosim Difference

Virginia Tech will build and support communities of discovery to facilitate engagement with diverse ideas, backgrounds, and culture. Initiatives include enhancements in academic advising and degree completion, increased financial aid for low- and middle-income Virginia undergraduates. Student Initiatives (wellness: health, counseling, recreation, activities, transportation, etc).

Be A Destination for Talent

Virginia Tech will attract and empower a diverse and talented workforce who will champion our vision for the future. Initiatives include efforts to boost recruitment of diverse faculty and staff, support of faculty start-up packages, and enhance our support of the university's human capital. Competitive Compensation means beyond inflation to improve relative position. Other areas include intercollegiate athletic needs to be competitive in order to represent the university effectively on the national stage.
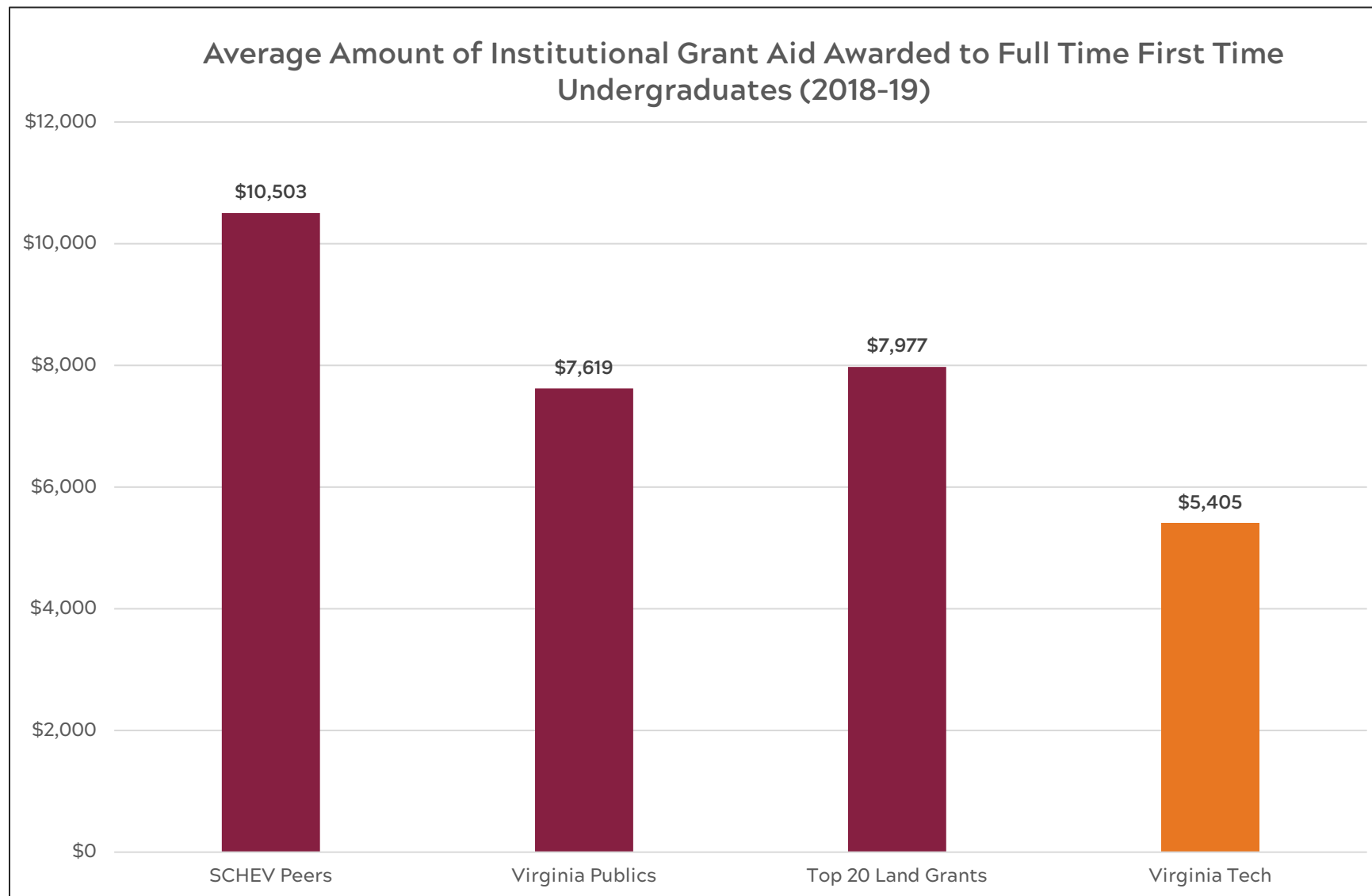
Ensure Institutional Excellence

Virginia Tech will optimize efficiency and effectiveness of administrative functions to ensure alignment of fiscal resources and processes in support of strategic goals. The university will ensure compliance with federal and state mandates, and bolster information security needs. This spans transformation, technology and systems, space needs (renewal, upfits, O&M, leases), other needs (unanticipated, unfunded mandates, compliance), climate action, and continued improvement to campus accessibility.

Initiatives Envisioned over next 6 years

	FY23	FY24	FY25	FY26	FY27	FY28
Regional Strategies (Innovation Campus, Integrated Security, Health Science & Technology)	2.7	5.7	9.9	7.2	9.8	13.1
Academic Initiatives (Destination Areas, Representative Diversity of Faculty and Students, Inclusive Environment, Experiential Learning, State Workforce)	10.8	21.5	32.3	43.0	53.8	64.5
Academic Support (Library, Advising, Degree Completion, Reduce Time to Degree)	0.9	1.8	2.7	3.6	4.5	5.4
Student Initiatives (Health, Counseling, Recreation, Engagement, Transportation)	1.1	2.2	3.3	4.4	5.5	6.6
Affordability (Student Financial Aid)	4.5	8.9	13.4	17.8	22.3	26.7
Athletic Support	0.5	1.0	1.5	2.0	2.5	3.0
Transformation & Excellence (Technology, Systems, Software, Service Delivery Enhancements)	1.9	3.8	5.7	7.6	9.5	11.4
Facility Needs (Climate Action, Accessibility, Renewal, Updates, O&M, Leases)	2.7	5.4	8.1	10.8	13.5	16.2
Competitive Compensation (Mid-Career Faculty, Move Faster Than Market to Improve Relative Position, Respond to Market Demands)	10.6	14.4	18.3	22.1	26.0	29.8
	35.6	64.7	95.1	118.5	147.3	176.7

Planning Example: Need for Student Financial Aid

Average Amount of Institutional Grant Aid Awarded to Full Time First Time Undergraduates (2018-19)

Planning Example: Student Financial Aid

- Net price is the cost remaining after financial aid has been applied to the total cost of attendance (tuition, fees, room and board, and other expenses).

- The university remains competitive with "sticker" price, but has an opportunity to enhance the "net" price competitiveness for resident students from low- to middle-income families.

	Cost of Attendance (Sticker Price)	Average Net Price by Income (2018-19 Data)				
		$0-30,000	$30,001-48,000	$48,001-75000	$75,001-$110,000	$110,001+
Virginia Tech	26,834	11,138	14,010	19,067	23,808	26,200
UVa, W&M	36,357	6,797	8,330	13,196	21,031	31,651
Advantage (Disadvantage)	9,523	(4,342)	(5,681)	(5,871)	(2,777)	5,451

					Total Cost
VT Population	1,267	1,105	1,591	2,025	
Additional Student Aid	5,500,681	6,276,953	9,340,761	5,623,425	$ 26,741,819

Planning Example: Innovation Campus Proforma

Sources	2022-23	2023-2024	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
State Base Funding	3,261,805	3,261,805	3,261,805	3,261,805	3,261,805	3,261,805	3,261,805	3,261,805
State Start-Up	2,460,000	2,460,000	2,460,000	2,460,000	3,075,000	-	-	-
Tuition and Fees	5,454,641	8,280,832	14,026,158	20,515,030	20,515,030	20,515,030	20,515,030	20,515,030
Project Based Learning	214,340	328,590	583,640	738,600	808,600	878,600	948,600	1,018,600
Sponsored Research	1,296,008	1,921,290	3,443,109	4,474,415	5,026,279	5,619,817	6,033,157	6,137,653
Endowment Payout	1,410,069	2,263,130	3,140,556	3,576,308	4,051,310	4,536,288	4,988,450	5,450,107
Annual Donations (cash)	3,850,885	9,700,000	6,000,000	6,400,000	6,400,000	5,700,000	5,700,000	5,700,000
Total Sources	17,947,748	28,215,648	32,915,268	41,426,158	43,138,024	40,511,539	41,447,042	42,083,195
Uses								
IC Faculty	3,982,725	5,481,600	8,122,475	10,592,050	11,791,150	12,861,775	13,632,625	13,846,750
IC PhDs	1,293,968	1,891,184	2,787,008	3,682,832	4,180,512	4,578,656	4,877,264	4,976,800
Project Based Learning	435,388	692,338	949,288	1,077,763	1,077,763	1,077,763	1,077,763	1,077,763
Masters Scholarships	961,603	1,879,238	1,279,236	1,893,665	1,893,665	2,613,847	2,613,847	3,038,715
IC Staff	2,441,025	3,226,150	3,525,925	3,740,050	3,811,425	3,882,800	3,882,800	3,882,800
Other Staff	751,436	1,193,961	1,698,725	1,798,650	2,077,013	2,219,763	2,219,763	2,219,763
IC/Other Staff	692,338	692,338	692,338	692,338	692,338	692,338	692,338	692,338
Marketing and Consulting	200,000	200,000	200,000	200,000	160,000	160,000	160,000	160,000
IC Programs	2,250,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
IC Faculty Start-Up	3,000,000	4,250,000	5,083,333	5,416,667	4,916,667	3,500,000	2,416,667	1,666,667
Building O&M	-	-	3,028,315	3,028,315	3,028,315	3,028,315	3,028,315	3,028,315
HQ Rent and O&M	416,766	484,766	242,683	-	-	-	-	-
Debt Service	1,522,500	5,847,767	5,847,767	5,847,767	5,847,767	5,847,767	5,847,767	5,847,767
Building Renewal Fund	-	1,610,000	1,610,000	1,610,000	1,610,000	1,610,000	1,610,000	1,610,000
Total Uses	17,947,748	29,949,340	37,567,093	42,080,096	43,586,614	44,573,023	44,559,147	44,547,676
Estimated Annual Net (Base)	-	(1,733,692)	(4,651,825)	(653,938)	(448,590)	(4,061,483)	(3,112,106)	(2,464,482)

Quantification of Costs over 6 Years

Inflation

Initiatives

$155M

$176M

Recognizing Resource Realities

Inflation

Initiatives

$155M

~~$176M~~ $52M

Understanding that a bold vision can exceed resource capacity, restraint is needed.

1% placeholder to jump start the discussion.

Can be increased/decreased to accelerate/slow the rate of progress

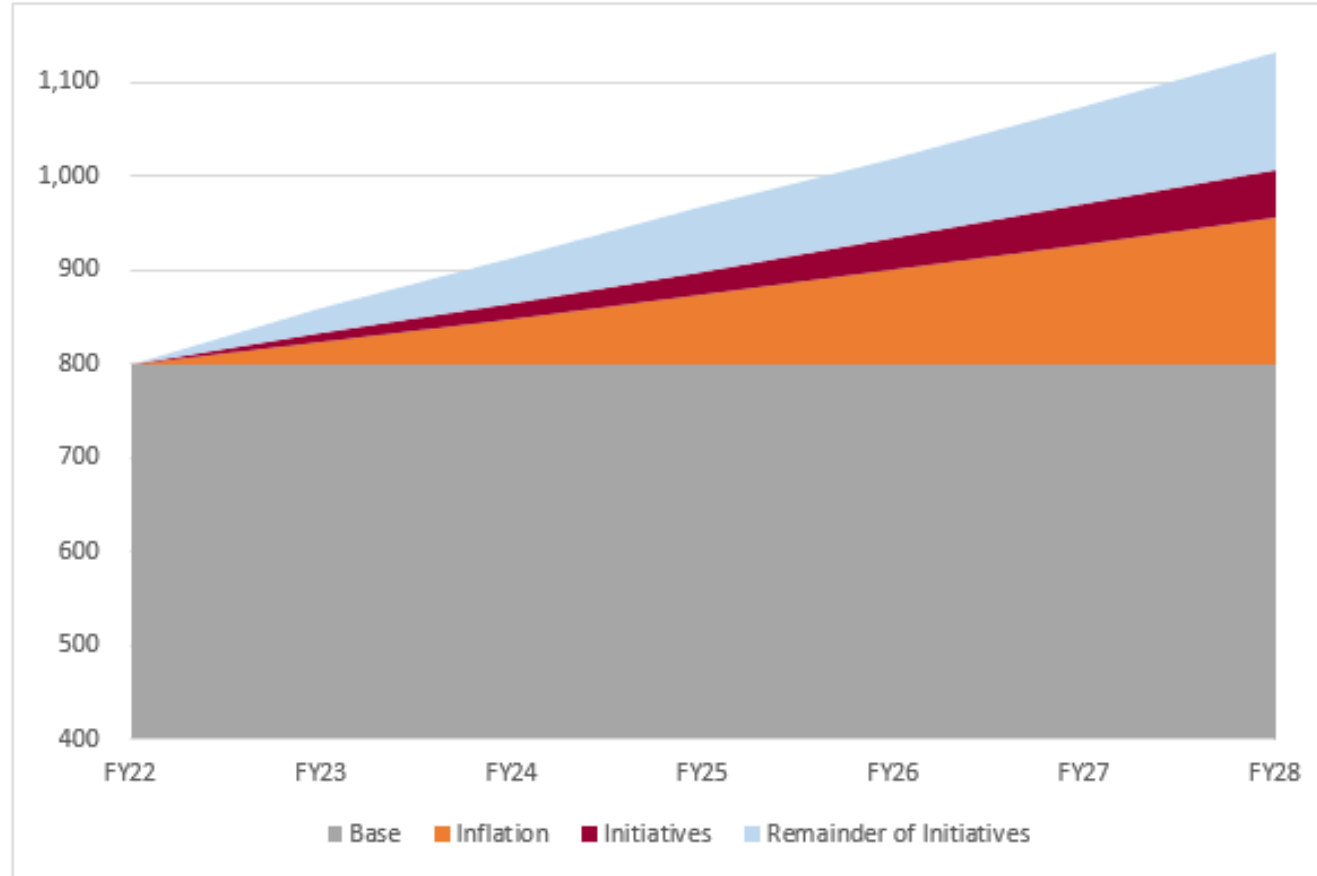# Operating Funding Need Proposed

Inflation

Initiatives

$155M

$52M +/-

Funding Need formula: **INFLATION + 1% +/-** per year

Operating Funding Need

$ in Millions

	Assumption	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Base		800	800	800	800	800	800	800
Inflation	3%	-	24	49	74	100	127	155
Initiatives	1%	-	8	16	25	33	42	52
Incremental Funding Need			32	65	99	134	170	207
Subtotal Resources		800	832	865	899	934	970	1,007
Remainder of Initiatives			28	48	70	85	105	125
Grand Total		800	860	913	969	1,019	1,075	1,132

Does not include Continuing Education, Vet hospital

# Decision Framework

Decision Framework

- Must maintain a structurally balanced budget
- Resources are finite
  - State has limits
  - Natural limits on the total cost of education (tuition & fees)
- Opportunistic about resources
  - Alternative funding sought before seeking a tuition rate increase
    - Federal, state, private, grant, self-generated, existing, enrollment, etc.

Decision Frame Work

- All needs compete for resources
  - For example, to have more in auxiliary fees requires a lower tuition rate and vice versa
- All needs are prioritized
  - E&G compete with auxiliary enterprise needs, etc
- The university budget process seeks to optimize the entire system to maximize the achievement of the university's strategic plan (of which some objectives are competing)
- Some costs are unavoidable (inflation, unfunded mandates related to compliance, fringe benefit rates established by the state, minimum /competitive wage rates, etc.)

Resource Opportunities
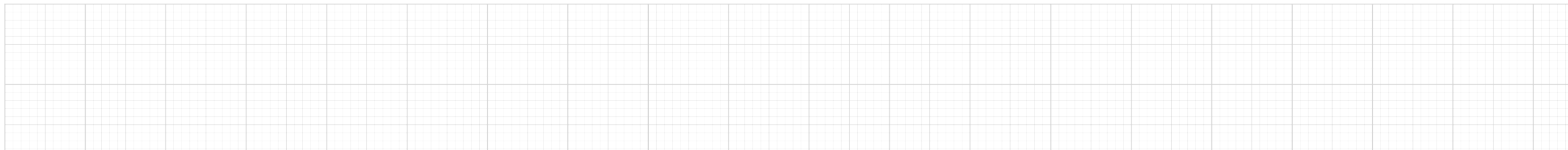
Resource Opportunities

Reallocations

- Limited opportunity in a lean/efficient institution
  - Recall 3%/5% college/other base budget reduction in FY21
- Challenge, new programs are often more expensive than existing programs.
- Obligations to existing students & faculty.
  - Accreditation teach out requirements, tenure, etc
- Since E&G costs are 80% personnel, reallocations lead to personnel reduction
- While reallocations and program changes are done, continual reductions are not sustainable

Resource Opportunities

General Fund

- State funds share of state actions (salary or fringe rate increase)

  39% for 208 E&G budget

- Significant state support for operating initiatives is possible in some years but unlikely in every year.

- GF is 24% of the E&G budget, for a GF increase to supplant the need for a tuition increase would require GF to increase at **4 times** GF inflation + 1% (thus cover the NGF share of i+1%)

- Research initiatives are prime candidates for targeted state requests.

Resource Opportunities

Enrollment growth

- VT has strong demand as demonstrated by increasing applications for admission

- However, need to ensure adequate capacity for success

- Growth brings incremental cost of educating additional students

- Scale also offers some efficiencies and benefits (e.g. leveraging central administrative systems, academic programs critical mass)

Resource Opportunities

Enrollment Mix

- VT has strong demand outside Virginia
- State provided new flexibility to support expected state workforce needs.
  - State obligation to maintain fall 2018 in-state UG levels and not increase nonresident proportion more than 1% per year.
  - Nonresident Undergraduate as of Fall 2020:

    VT 28.6%, UVA 30.5%, W&M 32.9%, VMI 37%

    Ohio St 38%, Penn St 42%, Iowa St 44%, Purdue 48.6%
- Demand is uneven
- Competition in the nonresident market is expected to continue to increase

Resource Alternatives

<u>Baseline Model</u>

General Fund, Tuition, and Fees move at inflation+1%

<u>Alternative Models</u>

1. Net from Enrollment growth

2. Net from stronger enrollment Mix

3. Combination of Enrollment and Mix

4. State support (above inflationary rate)

State Decision

5. State support, Enrollment, & Mix

6. Private & Endowment for Targeted Initiatives

Donor Decision

Resource Alternatives

Alternative models could result in

1. Lower tuition & fee rates than would otherwise occur.

   Virginia residents obtain increasing value without having to fund the enhancements (initiatives).

2. Better alignment with other goals

   Need for scale

   Virginia workforce demands

3. Rate of progress on strategic goals is a choice.
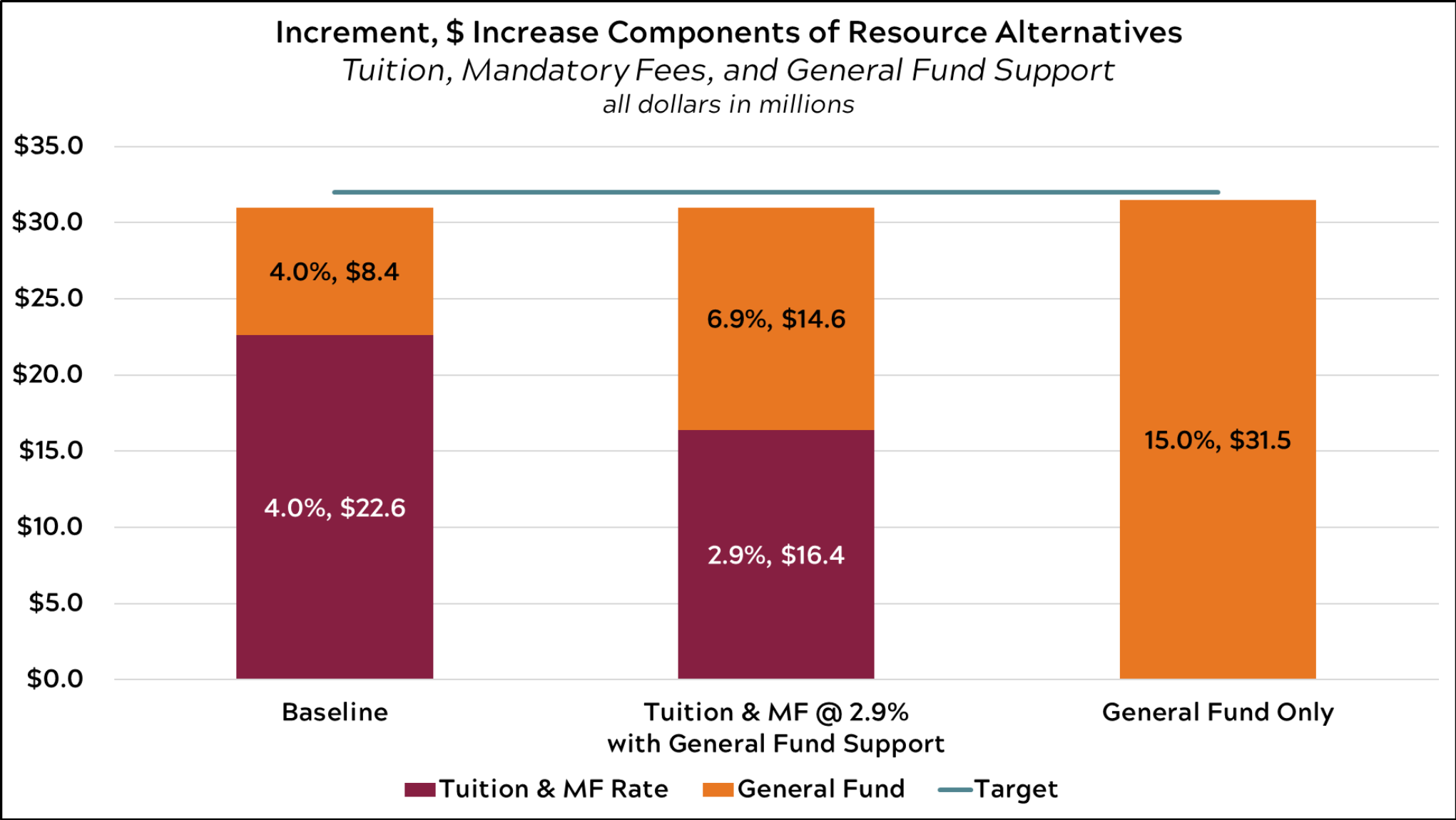
   Can be modulated.

Resource Alternatives

Objective

Assuming 3% inflation + 1% initiatives, achieve a 4% increase on an $800M base ($32M).
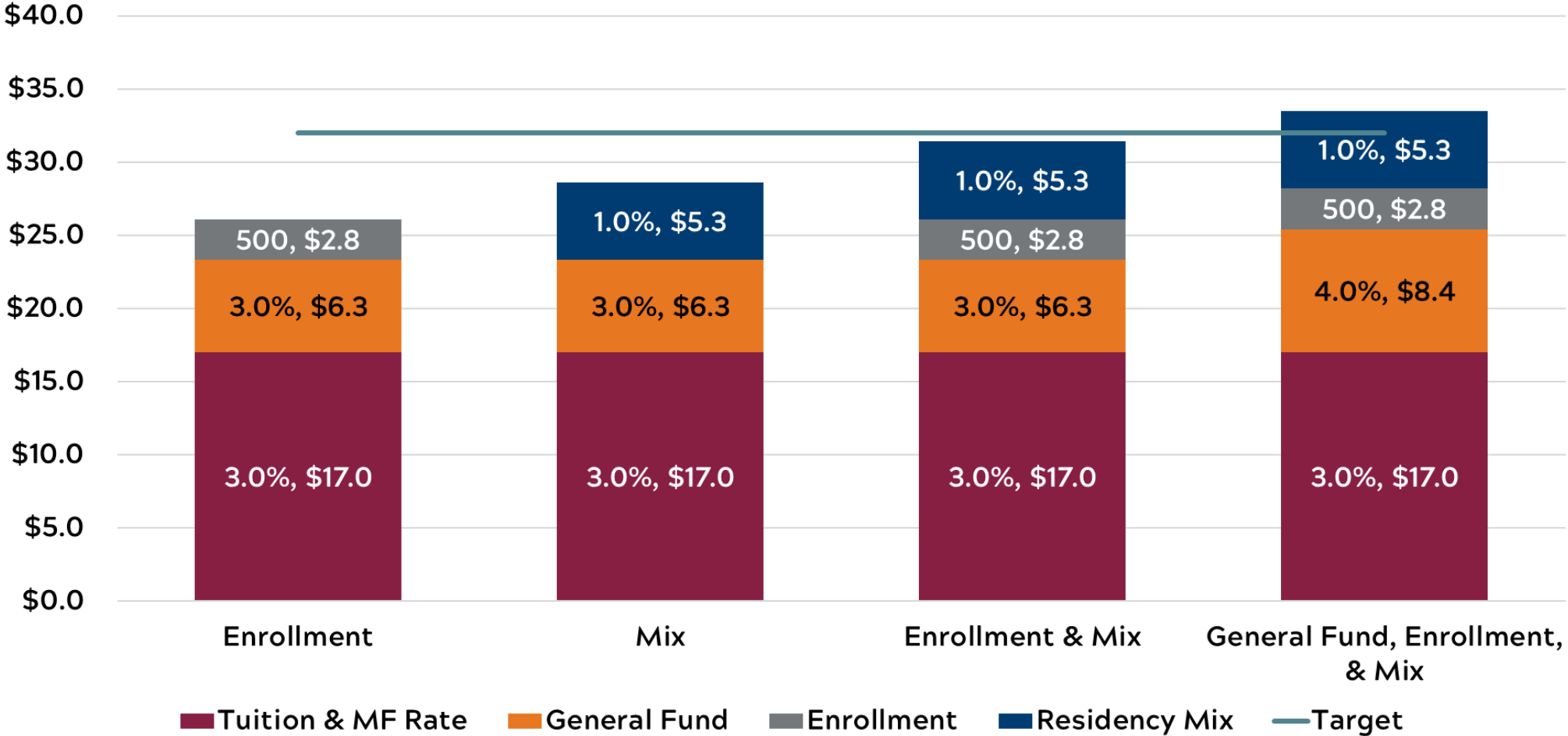
Resource Alternatives

Alternative	Increment	$ Increase (M)
Tuition & MF Rate	1 %	5.65
General Fund	1%	2.1
Enrollment	500 students	2.8
Residency Mix	1%	5.3

Resource Alternatives

Increment, $ Increase Components of Resource Alternatives
Tuition, Mandatory Fees, and General Fund Support
all dollars in millions

Baseline
- 4.0%, $8.4
- 4.0%, $22.6

Tuition & MF @ 2.9%
with General Fund Support
- 6.9%, $14.6
- 2.9%, $16.4

General Fund Only
- 15.0%, $31.5

Legend: Tuition & MF Rate — General Fund — Target

Resource Alternatives

Increment, $ Increase Components of Resource Alternatives
Tuition, Mandatory Fees, and General Fund Support with Enrollment and Mix
all dollars in millions

Legend: Tuition & MF Rate | General Fund | Enrollment | Residency Mix | Target

Resource Alternatives

$ in millions

	Tuition & MF Rate	General Fund	Enrollment	Mix
Change	1%	1%	500	1%
$	5.65	2.1	2.8	5.3

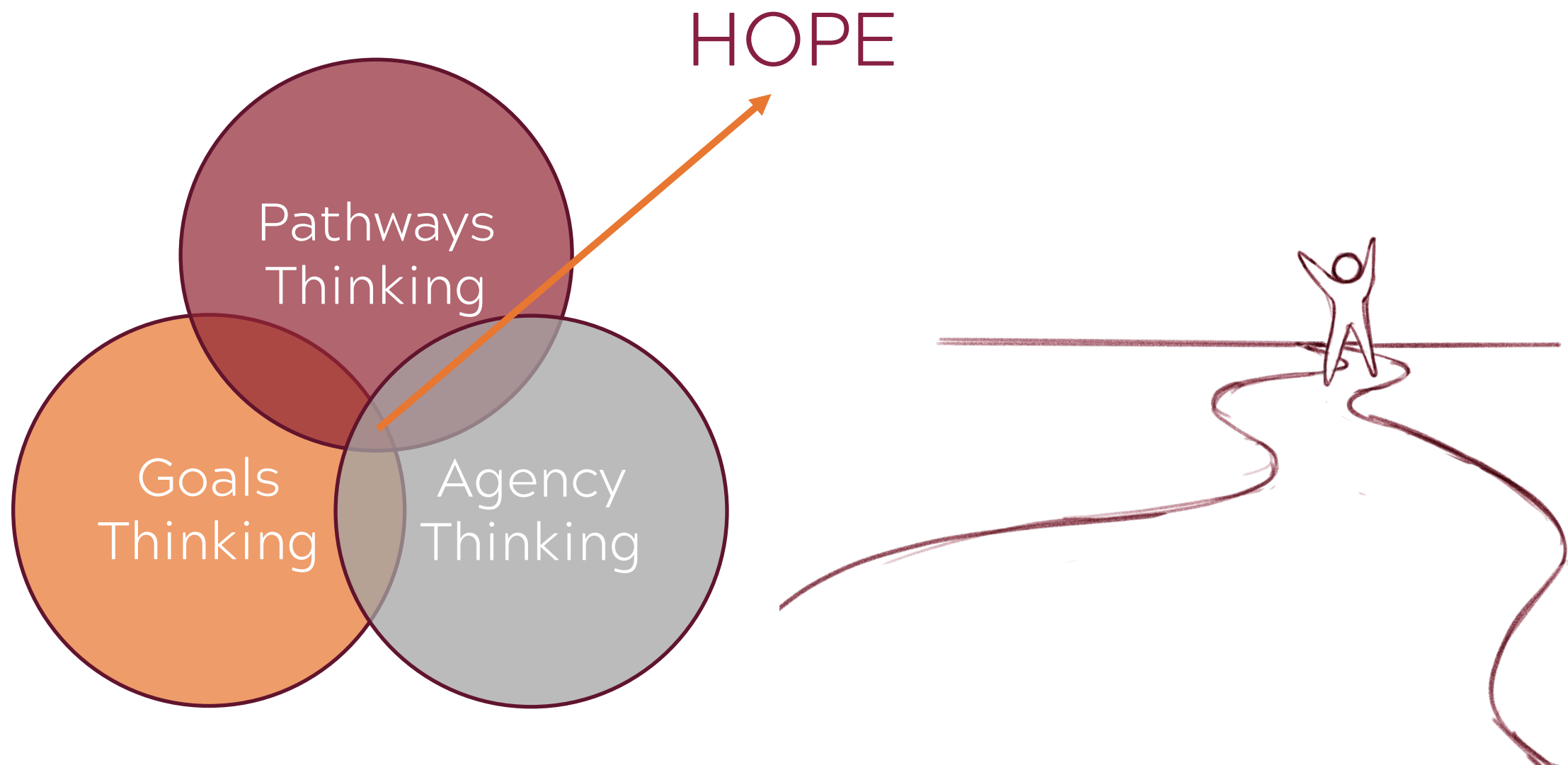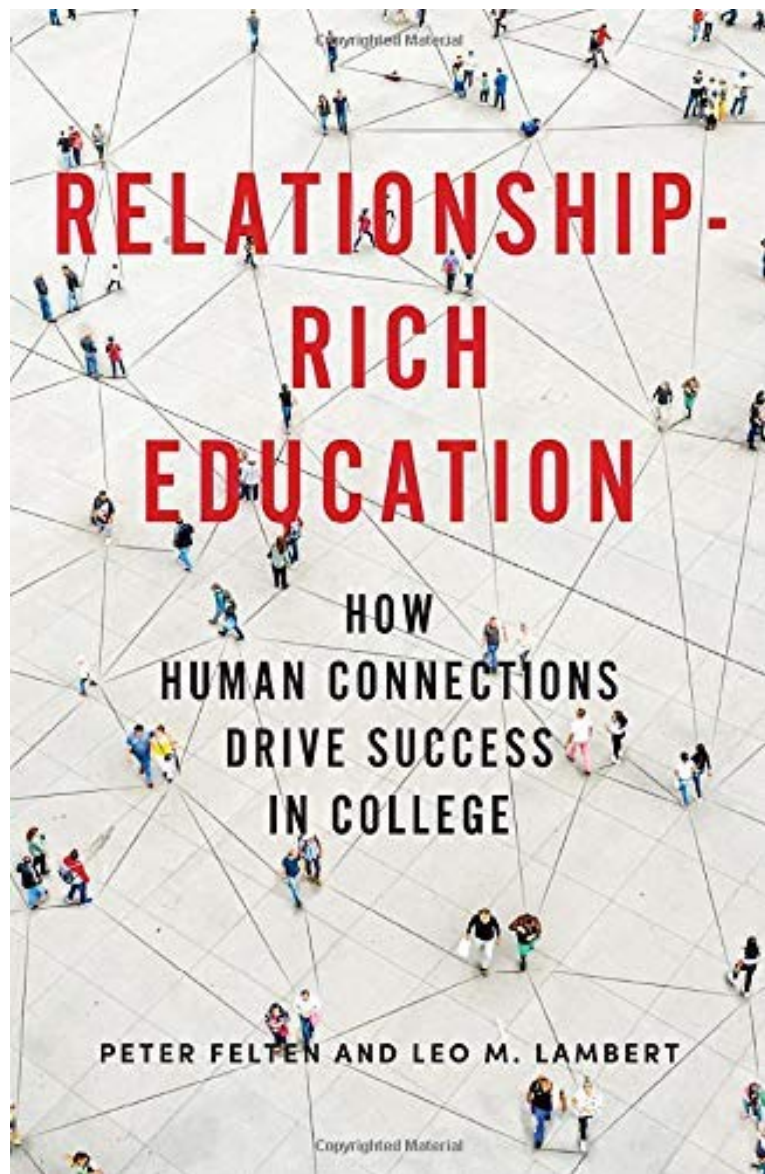| Alternatives			Tuition & MF Rate	General Fund	Enrollment	Mix	Total
	A	**Objective**: Assume 3% inflation + **1%** intiatives (**30%** of 176M) = 4% on $800M					**$32.0**
		0 Baseline	4%	4%			
			$22.6	$8.4	$0.0	$0.0	**$31.0**
		1 Enrollment Growth	3%	3%	500		
			$17.0	$6.3	$2.8	$0.0	**$26.1**
		2 Mix	3%	3%		1%	
			$17.0	$6.3	$0.0	$5.3	**$28.6**
		3 Enrollment Growth & Mix	3%	3%	500	1%	
			$17.0	$6.3	$2.8	$5.3	**$31.4**
		4 General Fund	0%	15%			
			$0.0	$31.5	$0.0	$0.0	**$31.5**
		5 General Fund, Enrollment Growth & Mix	3.0%	4%	500	1%	
			$17.0	$8.4	$2.8	$5.3	**$33.5**
	B	**Objective**: Assume 3% inflation + **1.7%** intiatives (**50%** of 176M) = 4.7% on $800M					**$40.0**
		6 General Fund, Enrollment Growth & Mix	4.2%	4%	500	1%	
			$23.5	$8.4	$2.8	$5.3	**$40.0**
	C	**Objective**: Assume 3% inflation + **3.3%** intiatives (**100%** of 176M) = 6.3% on $800M					**$50.4**
		7 General Fund, Enrollment Growth & Mix	6.0%	4%	500	1%	
			$33.9	$8.4	$2.8	$5.3	**$50.4**

Discussion

STUDENT SUCCESS AT VIRGINIA TECH

Lessons Learned from 2020-2021

Presented to the Virginia Tech Board Visitors August 29, 2021

VIRGINIA TECH.

HOPE

Pathways Thinking

Goals Thinking

Agency Thinking

S.L. Lopez,S.L., Pendrotti, J.T. & Snyder, C.J. (2018). *Positive psychology: The scientific and practical explorations of human strengths* (4th Ed.).

A Student-Centered Culture Provides a Relationship-Rich Environment

1. Every student must experience genuine welcome and deep care.

2. Every student must develop a web of significant relationships.

3. Every student must be inspired to learn.

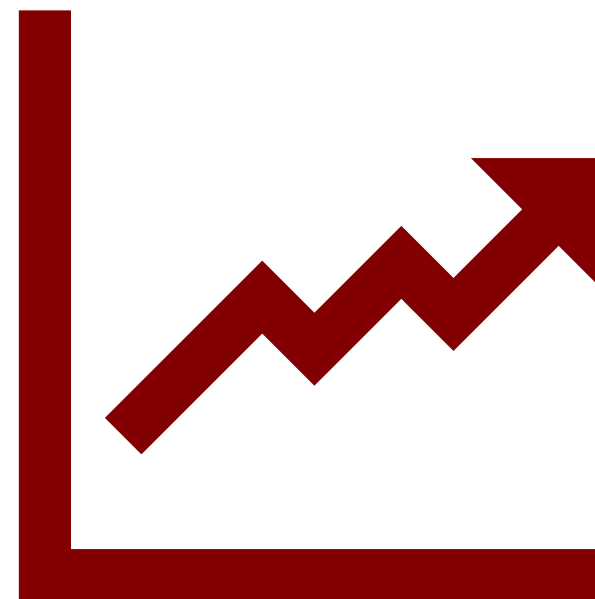4. Every student must explore questions of meaning and purpose.

Lessons Learned

Virtual strategies provided new opportunities for connection

- Student Engagement Events
- Academic Advising
- Employer Information Sessions
- Teaching and Learning Innovation

"While this year has looked quite different in terms of teaching and learning, you have never failed to bring positive energy to our class. Your one on one feedback on projects has been not only helpful, but has also inspired us to continue to do good work. We appreciate your flexibility this semester with how we could interpret prompts differently and twist each project into something we loved. Thank you for being conscious of how hard it is to sit in front of a computer everyday and making sure to get us out and about. Hopefully we can see you in person in the fall!"
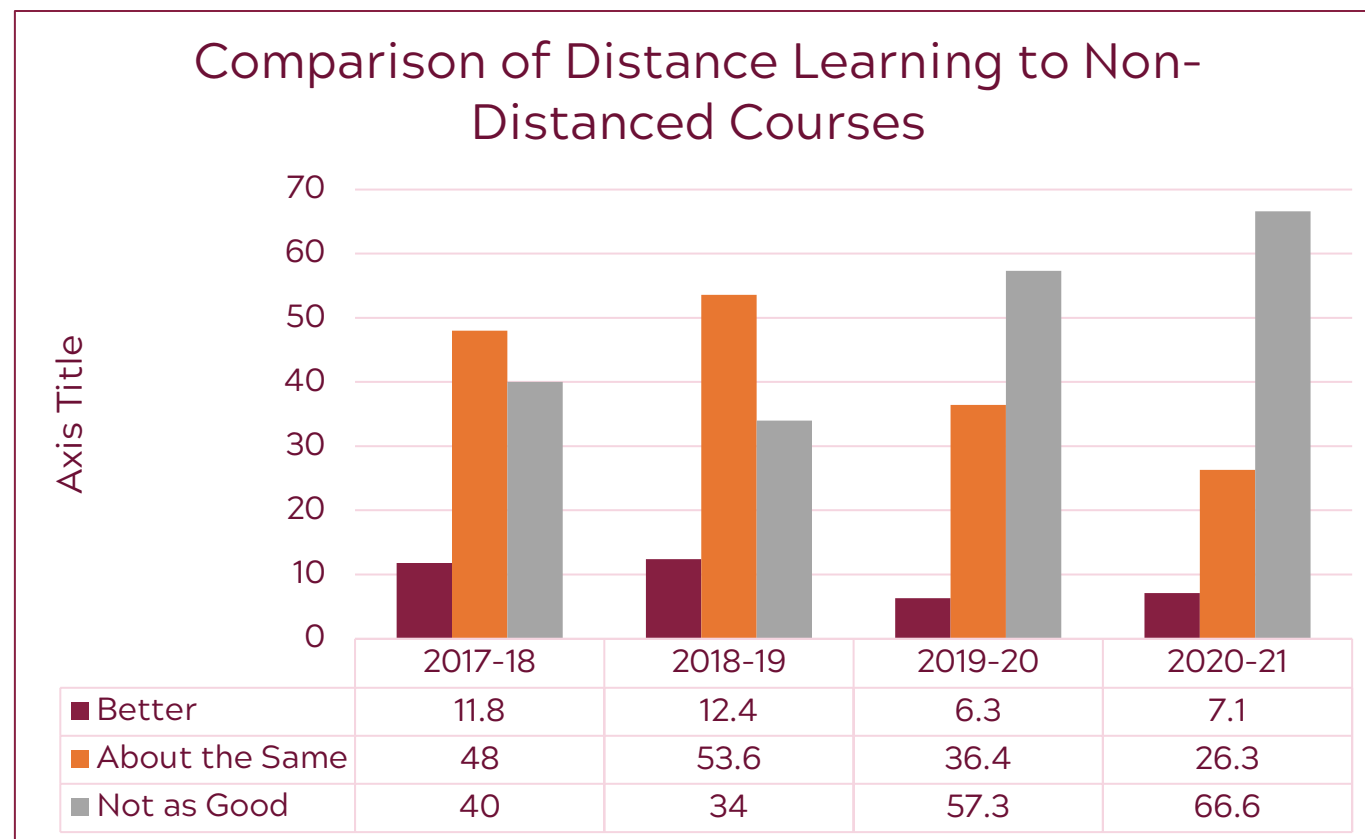
"With classes being online this year, the "classroom" experience has been lacking, but not for your class! Your class was always interesting and I felt really involved with clicker questions and group application days. You have really made an impact on me as a bio major, and all of the scientific papers we have worked through have made me interested in research, which is something I had not really considered before. Thank you for being such an amazing professor!"

The virtual environment created significant challenges for some learning environments

- Internships and Co-ops
- Study Abroad
- Field Experiences
- Arts Performance

In general, as Virginia Tech undergraduate education moved into an online environment, senior survey respondents' evaluation of the distance-learning courses decreased.

Comparison of Distance Learning to Non-Distanced Courses

Axis Title

	2017-18	2018-19	2019-20	2020-21
■ Better	11.8	12.4	6.3	7.1
■ About the Same	48	53.6	36.4	26.3
■ Not as Good	40	34	57.3	66.6

The pandemic also produced clear signs of stress in our community.

- Mental health and wellness
- Academic integrity
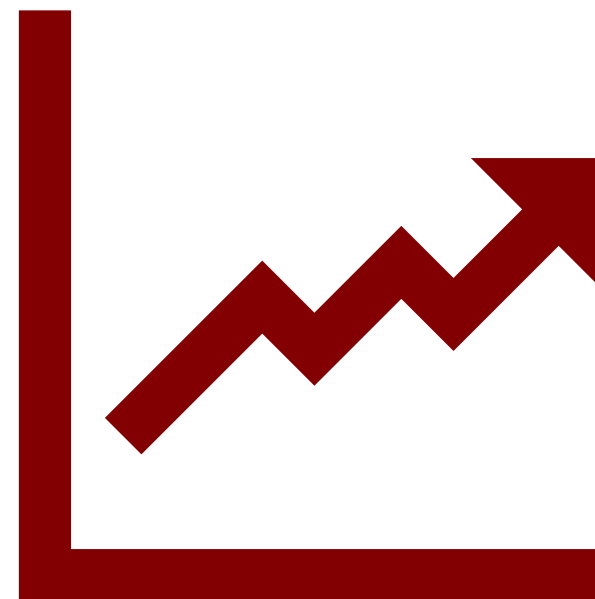
Need for greater care due to the pandemic

Virginia Tech students who sought treatment because of COVID-19 reported higher rates of negative life impacts across all areas when compared to students who initiated treatment for other reasons. (Horizontal axis zero-100 is %)

Legend: ■ Seeking Services Due to COVID ■ Not Seeking Services Due to COVID
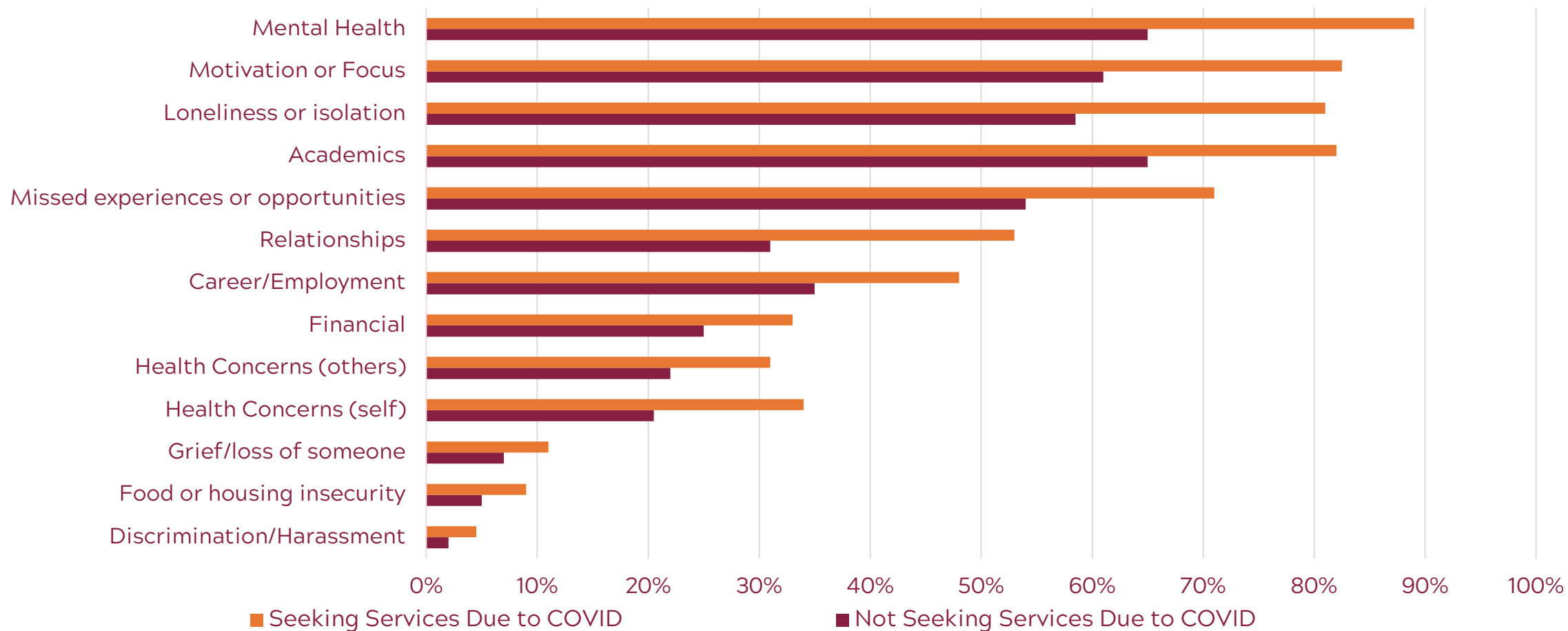
Regardless of their reason for seeking services, students seeking services at Cook Counseling Center (N=4292) reported that COVID-19 negatively impacted areas of their lives. With mental health, motivation or focus, loneliness or isolation, academics, and missed experiences and opportunities being reported at the highest rates. The rates among Virginia Tech students in each area were similar to those found in a national sample.

Area of Impact	Percent (CCMH National Sample)	Percent (VT Sample)
Mental Health	65%	69%
Motivation or Focus	61%	66%
Loneliness or isolation	60%	63%
Academics	59%	67%
Missed experiences or opportunities	54%	56%
Career/Employment	39%	38%
Relationships (significant other, family, friends)	39%	38%
Financial	32%	27%
Health Concerns (others)	27%	24%
Health Concerns (self)	24%	24%
Grief/loss of someone	8%	8%
Food or housing insecurity	8%	6%
Discrimination/harassment	2%	2%

Increase in undergraduate academic integrity violation reports.

Total Resolution and Adjudication

	Hearing Panels	Total Cases
2019-20	111	618
2020-21	314	1297
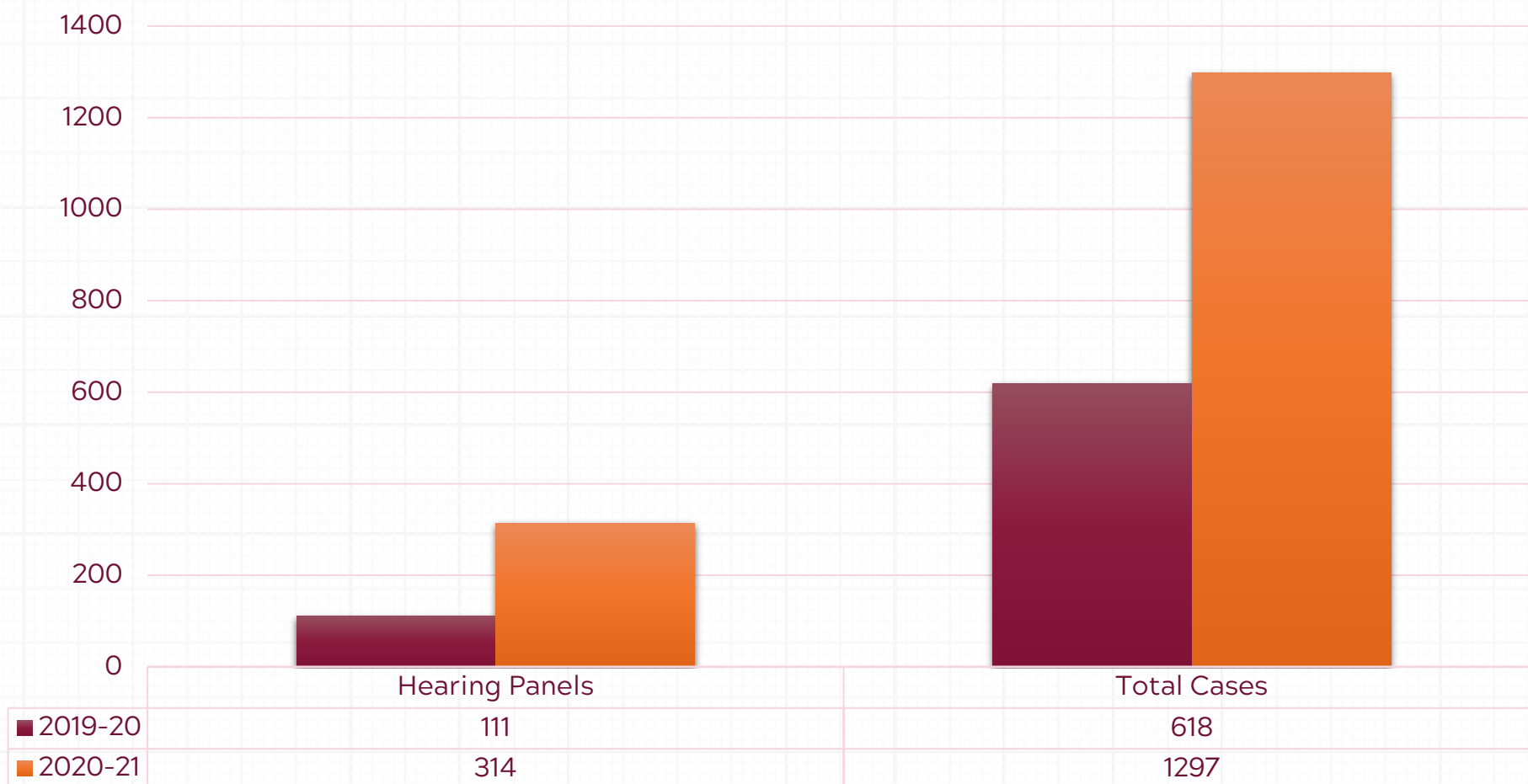
I felt completely alone and depressed during this last school year. My days were spent isolated in a small apartment bedroom with very little interaction with other students, especially those in my major. A week before the due date of the assignment that caused my infraction, I was a total mess. I simply should have not turned in the assignment but, instead, looked to the internet for guidance.