

Virginia Tech Board of Visitors Meeting

Information Session

**Monday, March 24, 2025
9:30 a.m.**

**The Inn – Latham Ballroom A/B
Virginia Tech Campus**

Northern Virginia Regional Strategy

- Dr. Julie Ross, Paul and Dorothea Torgersen Dean of Engineering and Special Advisor to the President

Proposed Tuition and Fee Rates

- Ms. Amy Sebring, Executive Vice President and Chief Operating Officer
- Mr. Simon Allen, Vice President for Finance and Chief Financial Officer

Constituent Reports

- Ms. Leslie Orellana, Undergraduate Student Representative to the Board
- Mr. William Poland, Graduate/Professional Student Representative to the Board
- Ms. LaTawnya Burleson, Staff Representative to the Board
- Dr. Janice Austin, Administrative and Professional Faculty Representative to the Board
- Ms. Rachel Miles, Faculty Representative to the Board



Virginia Tech in the greater Washington, D.C., area

Board of Visitors Meeting
March 2025

Northern Virginia Steering Committee

***Purpose:** Growth in the greater D.C. metro area is critical for Virginia Tech becoming a top global research university.*

The steering committee is working to define the university's role and presence in the region for the years ahead.

Goal

Significant work has already been accomplished surrounding Virginia Tech's physical footprint in the D.C. area.

*The **goal of the steering committee** is to review and assess these efforts, recommend adjustments as necessary, and chart a more detailed course for further development in the region.*

Scope of work

Instructional, research, and outreach missions, with an emphasis on those that will distinctively position Virginia Tech among land-grant universities and leverage the opportunities afforded by operating in the nation's capital.





Virginia Tech Academic Building One

Alexandria



The Coalition for Smart Construction at Virginia Tech

Falls Church

**slated for occupancy in 2027*



Virginia Tech Research Center

Arlington

Phases & Timelines

Committee work is organized into three phases with recommendations that will focus on strategic positioning, organizational structure, and operational support for the D.C area.

PHASE 1: VISION, MISSION, POSITIONING

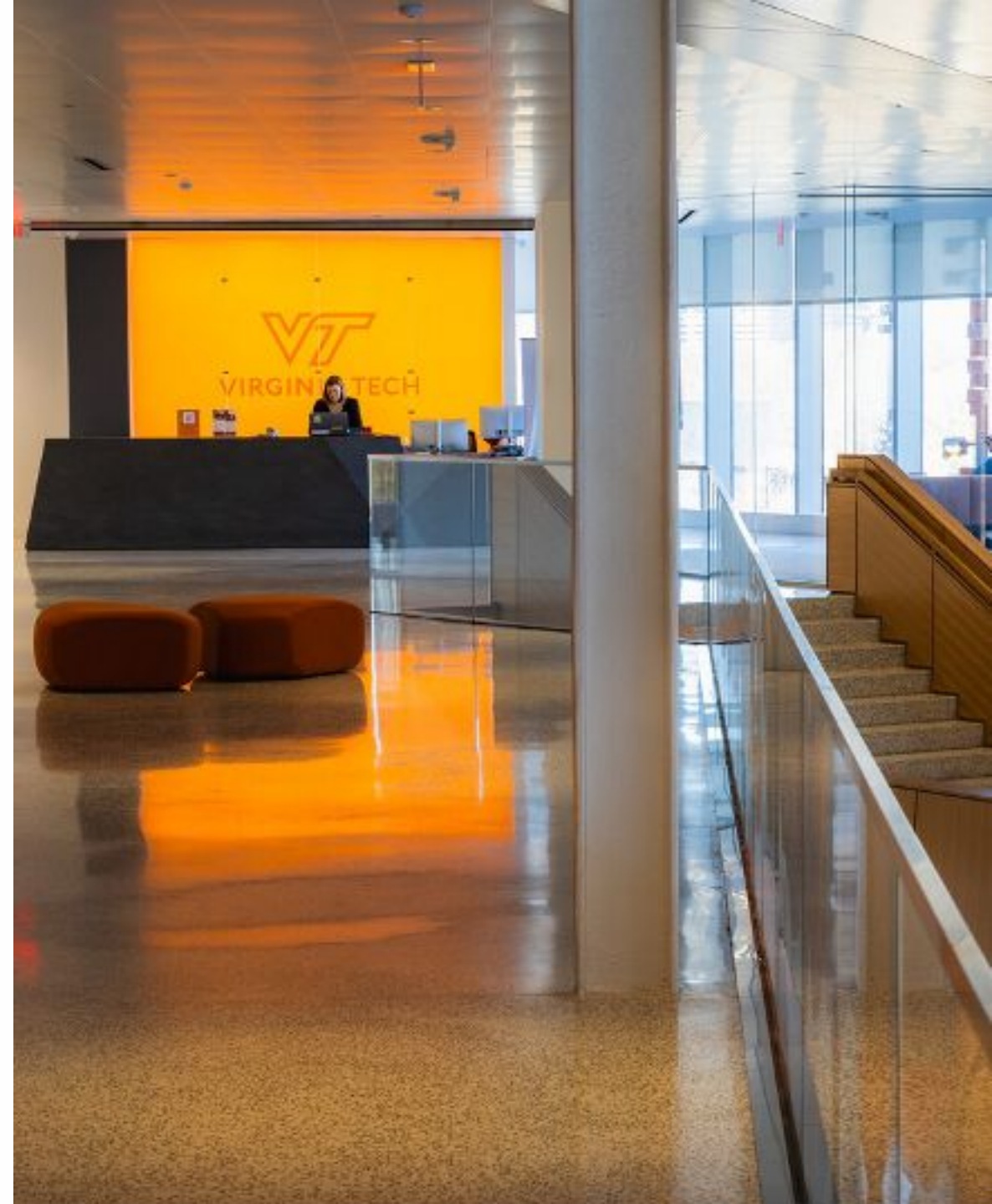
- March – June 2023

PHASE 2: ORGANIZATION AND OPERATIONAL PLANNING

- July 2023 – August 2024

PHASE 3: IMPLEMENTATION

- September 2024 - August 2025



Phase 3: Work Groups



Tuition and fees for graduate programs

To develop a regional approach and pricing structure that includes competitive tuition and fee rate for students.



Parking and transportation

To create parking solution that normalizes parking costs and allows drivers to access various university sites easily.



Space management

To ensure space alignment with university priorities, thematic areas of emphasis, and productivity.



Student housing

Assessment of current housing strategy and ongoing unmet need.

IMPLEMENTATION

Vision & Mission

VISION (WHY)

Guided by our motto, *Ut Prosim* (That I May Serve), Virginia Tech in the D.C. metro area is a destination for talent that leads transformational change and tackles global-scale problems to better serve Virginia, the nation, and the world.

MISSION (HOW)

As a gateway to the university, Virginia Tech in the D.C. area welcomes learners, researchers, and partners across a breadth of disciplines to join us in shaping the future. We lead with a culture of innovation, engaging government, industry, nonprofits, and diverse communities. Together, we discover novel solutions to complex problems.



Attributes of programs and activities

Provide Access to Partners - types of partnerships or depth of partnerships that are available/possible because of the university's location in the greater D.C. area.

Leverage D.C Area-Specific Opportunities – access to diverse expertise and talent, unique research and educational programs, urban environment, and specialized laboratories to address regional, national, and global needs.

Advance Graduate/Postdoctoral Education of the Future – to provide students and trainees a world-class experience uniquely connected with the many government, industry, nonprofit and community organizations in the area.



Future-State Organizational Structure

Formation of an Institute - to serve as the core academic structure and cross-cutting academic unit built for the region and anchored at the Academic Building One in Alexandria.

Vice President of the Greater D.C. Area - reporting to the Provost in alignment with all academic enterprises at Virginia Tech.

Matrixed organizational structure - to maintain close connection with colleges, academic departments and central administrative offices.

Shared academic, business, and student support services operating at the regional level - Hokie One Stop is what we are calling the student support element.



Institute for Advanced Computing

- *Institute will enable interdisciplinary, convergent approaches to research and graduate education focused on advancing computing and technology in our nation's capital and beyond.*
- Unique focus on project-based learning, use-inspired research in areas of relevance to the region's broader tech community, and deep engagement with corporate and government sponsors.
- Proposed Institute will manage the regional Master of Engineering in Computer Science and Master of Engineering in Computer Engineering programs.
- Visual identity for the institute will be developed to leverage brand elements currently used for the Innovation Campus.
- Consideration of how to expand to include other disciplines.



Growing innovation in the D.C. area

We hosted a successful opening celebration of Academic Building One in Alexandria on Feb. 28

- Keynote speaker Dr. Regina Dugan, president and CEO of Wellcome Leap, and two-time Virginia Tech alumna.
- 1,000+ attendees included government officials, university leaders, alumni, industry partners, and the Hokie community.
- Building open house featured demos of cutting-edge technology and core areas of research.





THE COALITION FOR **SMART CONSTRUCTION** AT VIRGINIA TECH

Coming soon in Falls Church

slated for occupancy in 2027



The Coalition for Smart Construction

The Virginia Tech innovation lab will occupy 40,000 sq. ft. on the ground floor of HITT Contracting's new building headquarters in Falls Church

**Slated for occupancy in 2027*



WHY A COALITION FOR SMART CONSTRUCTION

WIDE-RANGING BENEFITS FOR PARTNERSHIPS
AMONG INDUSTRY, GOVERNMENT, AND
ACADEMIA

a

Deliver top talent and innovation to an industry ripe for disruption

b

Create a platform for partnership across interdisciplinary domains

c

Leverage Virginia Tech's unique strengths and strategic location to become THE destination

d

Advance R&D toward more sustainable, efficient automated processes and solutions



RESEARCH THEMES

We envision the Coalition will organize its efforts around five main research themes. These themes will help solve near and long-term challenges facing the construction industry and society's use of the built environment. Economics and design are threaded throughout all the research themes.

Proposed themes are:



ADVANCED MATERIALS & MANUFACTURING



CONSTRUCTION OPERATIONS



ENERGY



SUSTAINABILITY



DIGITAL AND HUMAN INTERFACES

「 INTEGRATION

A short orange diagonal line segment located to the left of the main title.

Innovation Network

The Virginia Tech Innovation Network bridges the gap between academia, industry, and government, serving as a catalyst for innovation and opportunity.

Innovation Network Attributes:

- Holistic integration with government, industry, and/or community; built for partnership
- Each part of the network will be responsive to the needs of the region it serves
- Research with transformational impact
- Graduate education embedded in research partnerships
- Innovation-based activity
- Experiential learning
- Global view

QUESTIONS

FY26 Proposed Tuition and Fee Rates

Amy Sebring

Executive Vice President and Chief Operating Officer

Simon Allen

Vice President for Finance and Chief Financial Officer

March 24, 2025

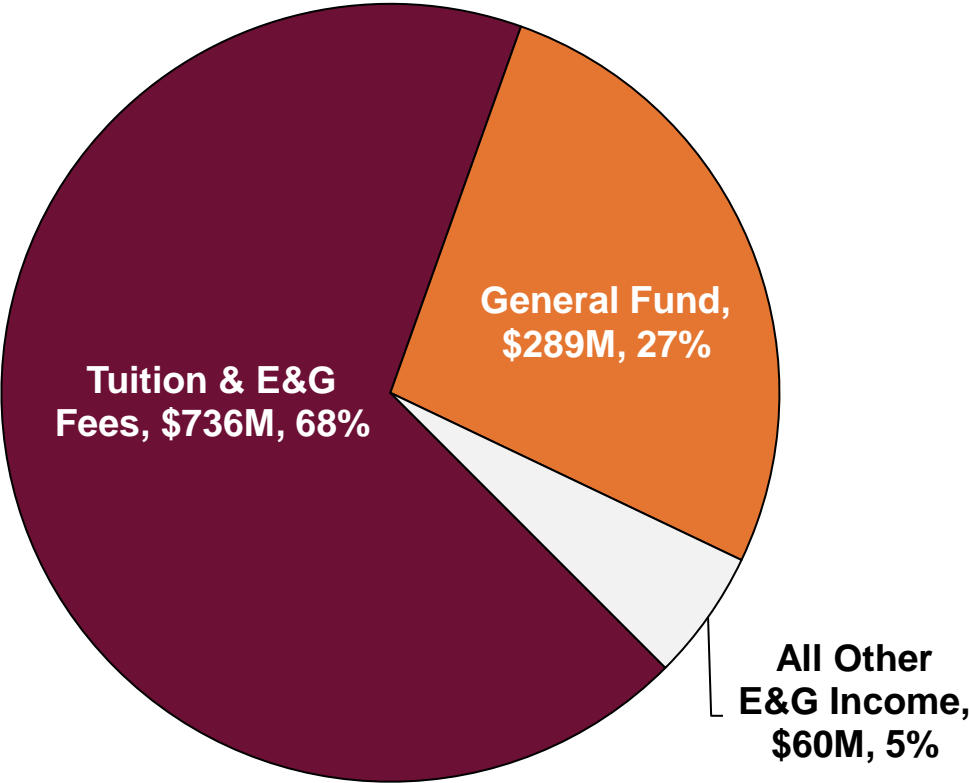
Tuition recommendations informed by:

- Level of state support
- Known and expected costs
 - State mandated
 - Unavoidable (inflationary)
- Reinvestments
- Maintenance of academic quality
- Market position
- Sensitivity to cost
 - Student and family impact
- Strategic Investments



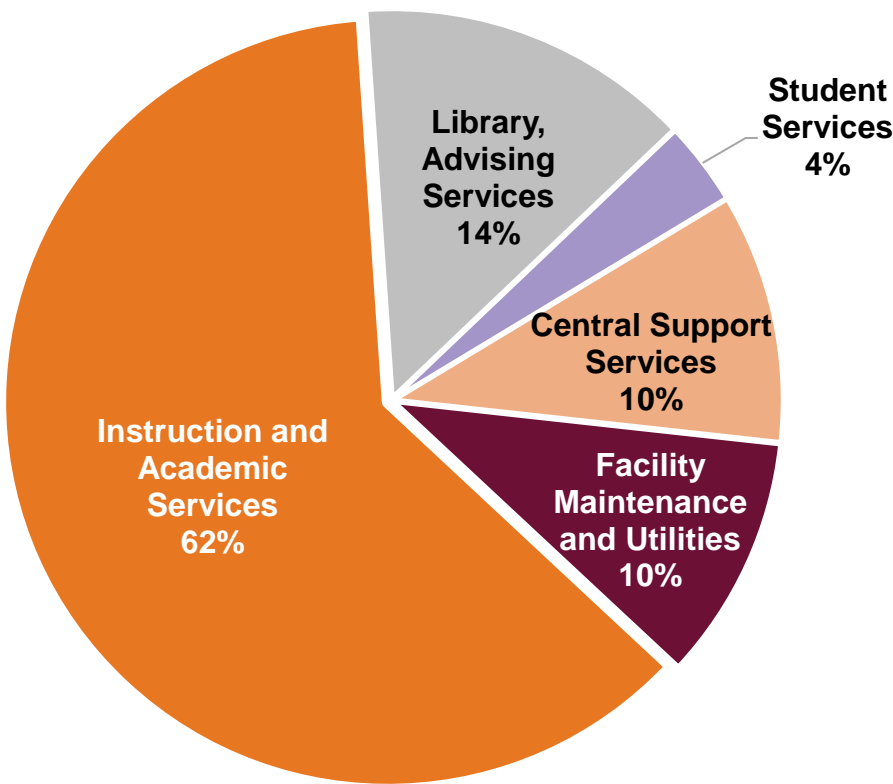
Tuition is the largest E&G revenue source

FY25 Educational and General (E&G) Program Revenue



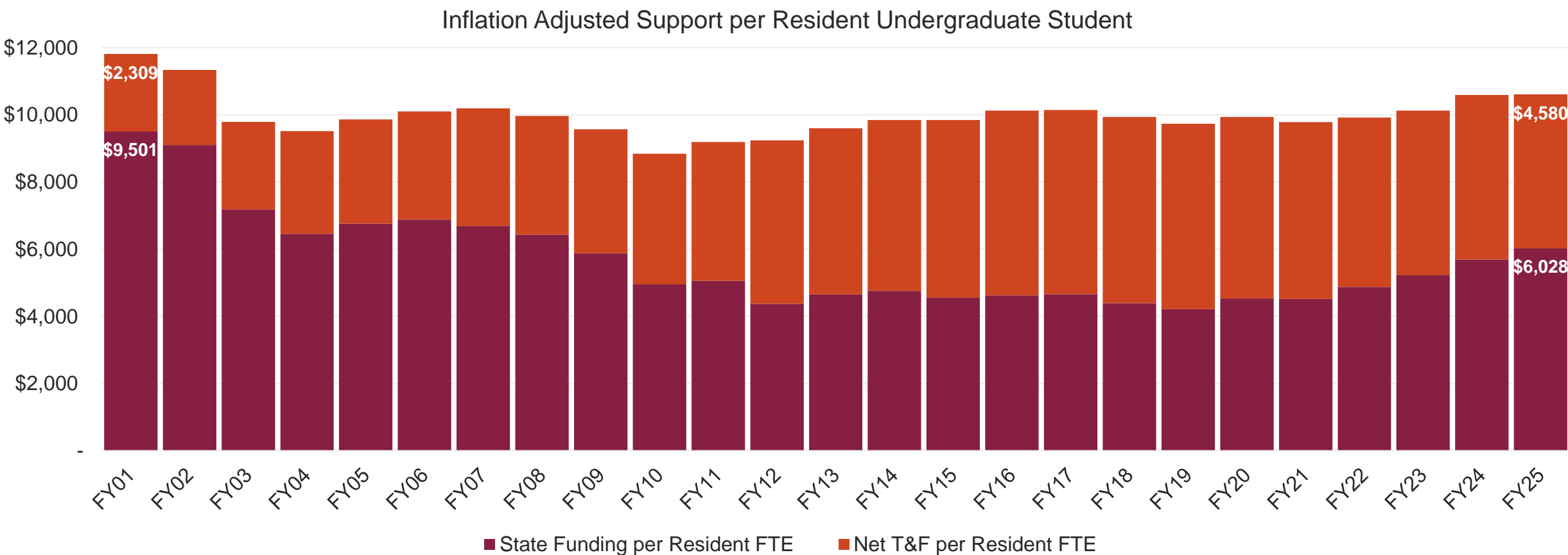
Instruction and Academic Services Comprise the majority of E&G Expenditures

Expenditure by Function (uses)



State Funding is a Critical Partner

- The commonwealth subsidizes the cost of Virginia resident undergraduate education
- State support has evolved over time, shifting more of the burden to students/families
- Despite recent state investments, adjusted for inflation, the university receives \$3,473 less state support per resident student than in 2000



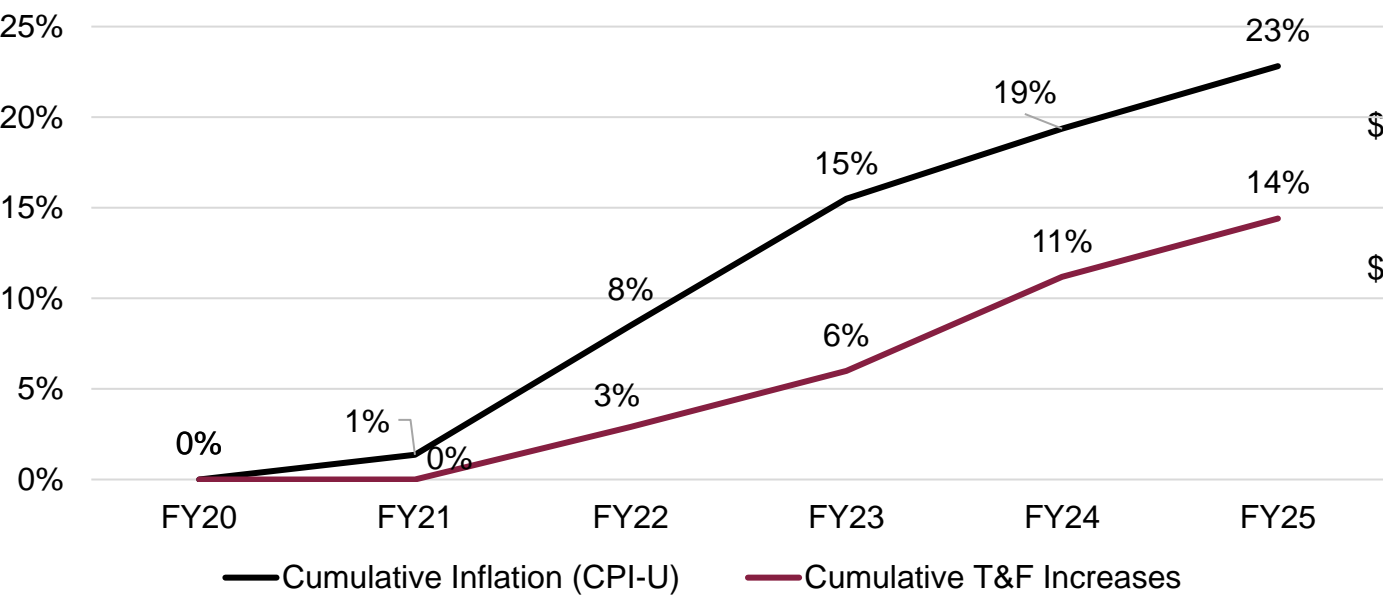
At 2.9%, proposed tuition increase remains below CPI and maintains a competitive position



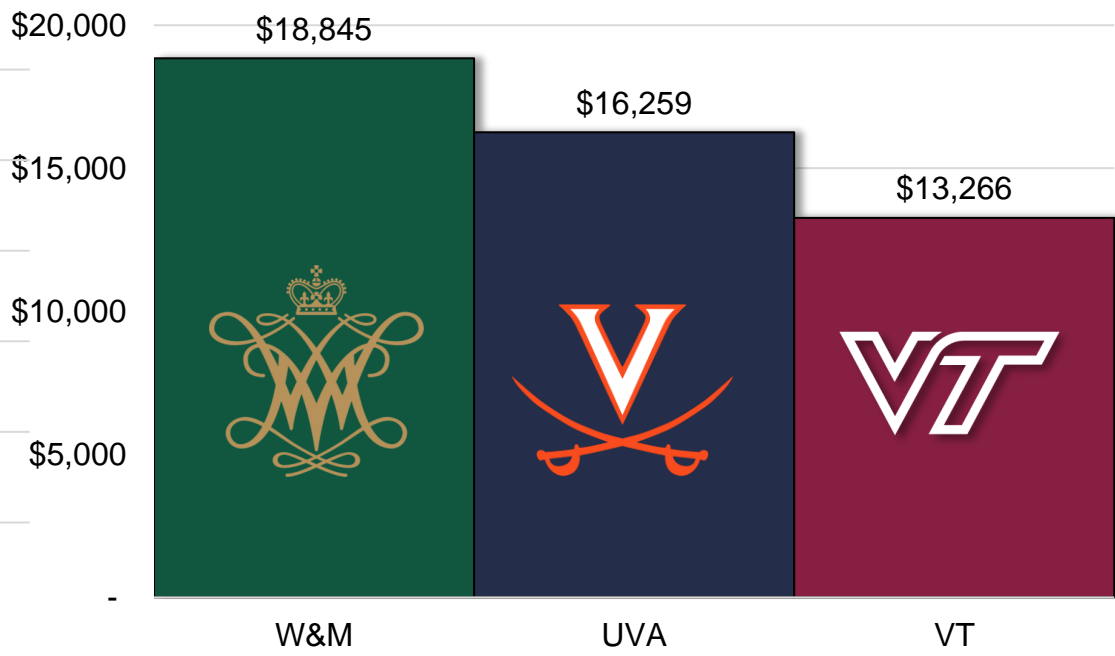
Over the past 5 years:
Consumer Price Index (inflation) has increased **23%**
In-State undergraduate tuition has increased just **14%**

Virginia Tech's sticker price will remain competitive for in-state undergraduate students

Virginia Tech In-State Tuition vs. Inflation
FY20-FY25



Virginia Public Four-Year Institutions
FY25 In-State Undergraduate Tuition & E&G Fees




















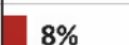














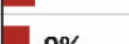








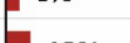





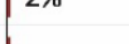

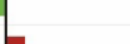









Does not include program fees

JLARC Efficiency Review

Figure 7-1: Institutions' changes in spending and net price vary, as do each institution's spending drivers (FY14-FY23)

Recent report of the Joint Legislative Audit Review Committee (JLARC) found:

- VT spending per student has **decreased** over the last decade
- VT spends **16% less** per student than similar institutions nationally
- VT's net price to students has **decreased** 6% over the last decade
- Instruction and Student Financial Aid are VT's largest cost drivers

	\$ PER STUDENT (% change 10-yr)		TOTAL \$ (% change 10-yr)		SPENDING VS SIMILAR (nationwide)		NET PRICE (% change 10-yr)	
UVAW		69%		40%		42%		-26%
NSU		53%		33%		-1%		-19%
VSU		38%		13%		-4%		-16%
RU		31%		-5%		-3%		3%
CNU		26%		8%		0%		-15%
UMW		24%		-5%		-23%		0%
VMI		22%		9%	N/A			-17%
ODU		20%		11%		-21%		-13%
VCU		17%		9%		-30%		-8%
UVA		16%		30%		6%		-1%
LU		11%		-6%		13%		12%
JMU		2%		9%		-14%		-1%
W&M		2%		15%		9%		28%
GMU		-1%		19%		-11%		-15%
VT		-5%		16%		-16%		-6%

University Budget Process

- Determine mandatory and unavoidable cost increases
- State budget process determines availability of general fund resources
- Tuition and fee rates set based on need to cover mandatory cost increases and market position
- Use critical needs request process to identify:
 - Unit-level resources aligned with strategic priorities
 - Cross-cutting issues impacting multiple units
 - Capacity limitations and areas of risk
 - Opportunities to reallocate existing resources
- Availability of resources – including reinvestments – drives pace of strategic investments and internal realignments



\$25.7 million projected in state-mandated and unavoidable costs

based on Conferee budget
\$ in millions

	<u>FY26</u>
NGF Share of 3.0% Compensation Program & Mandatory Compensation Adjustments	\$(14.1)
NGF Share of Fringe Benefit Rate Changes (6.0% health care)	(3.5)
Virginia Military Survivors and Dependents Waiver (FY25 & FY26)	(4.2)
Fixed Cost Increases & O&M of New Buildings	(2.4)
NGF Share of Property Insurance Increase	<u>(1.5)</u>
Total - Mandatory and Unavoidable Costs	\$(25.7)

With no new state support, the university would require a 4.7% tuition rate increase to fund state-assigned and unavoidable cost increases.

State support mitigates NGF costs and reduces reliance upon tuition

\$ in millions



	<u>FY26</u>
Mandatory and Unavoidable Costs (from prior slide)	\$(25.7)
State Support for Affordability	<u>0.0</u> *
Net Mandatory Costs	(25.7)
 Proposed 2.9% Tuition Rate Increase	 <u>14.8</u>
Remaining Mandatory Costs to be Managed	(10.9)

*\$6.383M Proposed as one-time in FY25

Putting it All Together

\$ in millions

Costs

	FY26
Net remaining to be managed (from slide 9)	\$ (10.9)
Estimated cost of FY26 strategic investments (from table on right)	
Global Distinction	(13.1)
Virginia Tech Advantage	(3.6)
Enabling Infrastructure	(10.5)
Subtotal Costs	(38.1)

Resources

Strategic Enrollment (Net)	9.3
FY26 Reinvestment Plan	5.0
GF for VMSDEP (restore capacity consumed in prior years)*	5.3
University Cost Allocations	2.2
University Resources	1.2
Subtotal Resources	23.0
Gap	(15.1)

Strategic vision will require investments

Availability of funds will determine pace

	FY26	FY27	FY28	FY29
Virginia Tech Global Distinction	\$13.1	\$14.4	\$13.3	\$13.1
Virginia Tech Advantage (less) Gov. & Private	7.6 (4.0)	8.0 (4.4)	8.1 (4.5)	8.2 (4.7)
Enabling Infrastructure	10.5	10.5	10.5	10.5
Strategic Vision	\$27.2	\$28.5	\$27.4	\$27.1

* FY25 VMSDEP cost is \$14M, total GF is \$7.5M; expect cost to further increase in FY26 by another \$2M to \$16M.

Continued work between now and June to develop proposed budget, identify the capacity to invest in strategic priorities while navigating uncertainty in federal funding.

Comprehensive fee (“Comp Fee”) recommendations informed by:

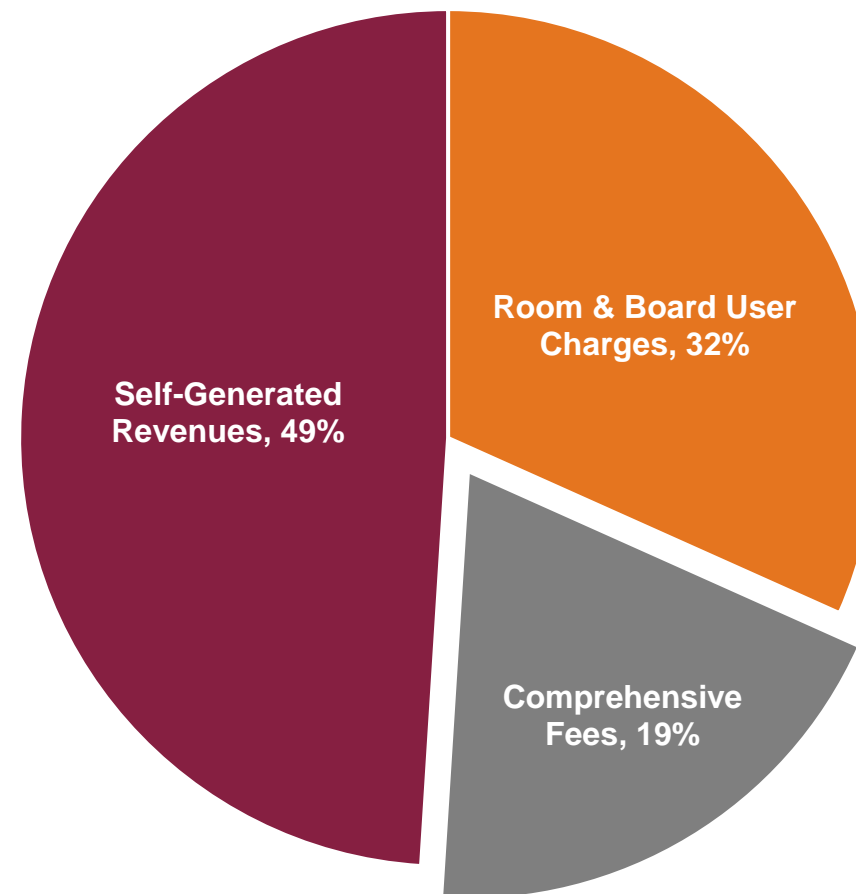
- Market position
- Projected costs
- Service needs



Comp fee provides 19% of auxiliary revenues; no funding provided by the state

Auxiliary Enterprises:

- Receive no state or tuition support
- Are required to cover 100% of direct and indirect expenses including the state assigned compensation program
- Leverage self-generated revenues where possible to minimize comprehensive fee
- Student fees are increased only when necessary

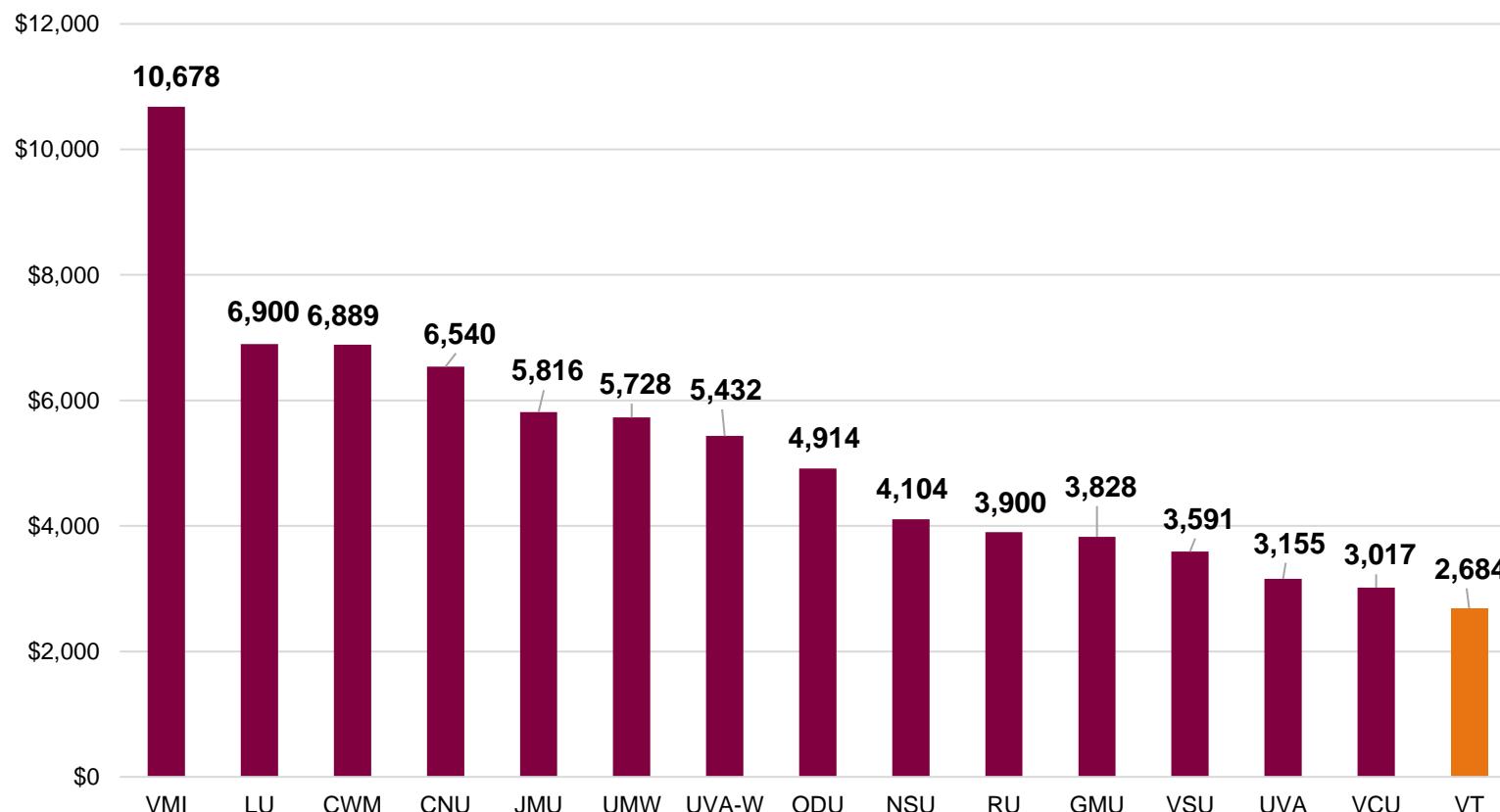


FY25 Total Revenue \$483M

Current state: Virginia Tech has the lowest comp fee among state public institutions

The Comprehensive Fee supports:

- Student Health
 - Health center, counseling, rescue squad
- Student Activities
 - Student programming, arts, student organizations
- Student Services
 - Transportation services, career services, wireless access
- Athletics
 - Intercollegiate athletics operations
- Recreational Sports
 - Recreational programs, sports clubs



VT's comprehensive fee is \$333 lower than VCU (2nd lowest).

The Comprehensive Fee includes the university mandatory non-E&G fees listed on this slide. This does not include the Commonwealth Facility & Equipment fee assessed to nonresident students on behalf of the Commonwealth of Virginia.

\$186 Comp Fee increase driven by mandated and unavoidable costs

	FY25 Approved	2.9% Increase (State: 3% Salary, 6% Health Ins; Counseling/Health, critical staffing)	Athletics (includes mandated & unavoidable cost increases)	Reallocate costs to Other Fund Sources	FY26 Recommended	Change
Student Activity, Health, Rec Sports & Student Services Fees	\$ 2,247	\$ 79	\$ -	\$ (188)	\$ 2,138	\$ (109)
Athletic Fee	437		107	188	732	295
Total	\$ 2,684	\$ 79	\$ 107	\$ -	\$ 2,870	\$ 186

- Majority of proposed fee increase driven by mandated and unavoidable costs
- VT will remain the lowest comprehensive fee in Virginia
- VT will remain the lowest athletic fee in Virginia
- VT will consider the level of the comprehensive fee increase when setting assistantship stipends for FY26
- This is for the Blacksburg Campus. Other campuses have specific comp fees based on available services.

Recommended fee in compliance with Code of Virginia and Appropriation Act requirements

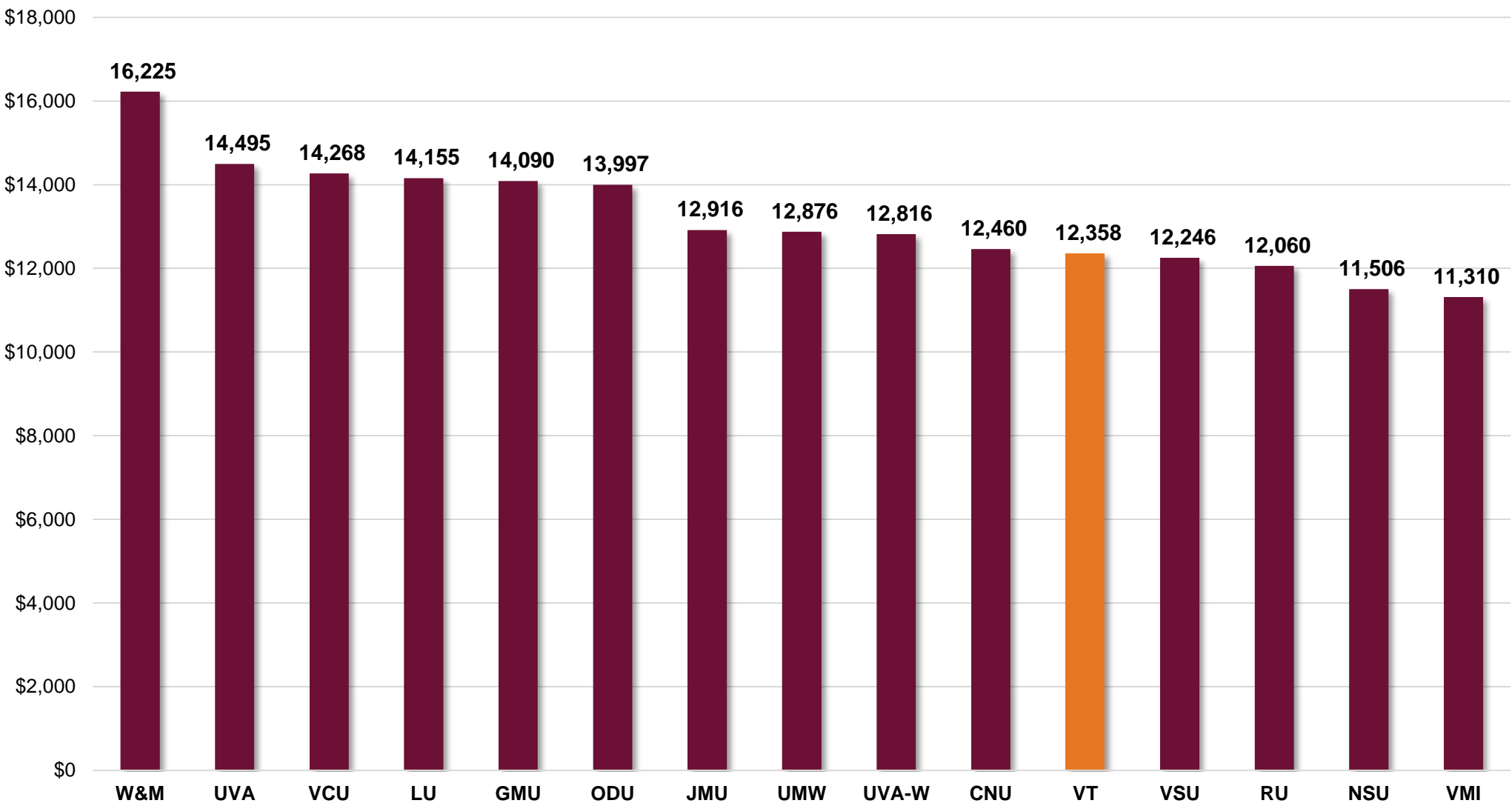
- Code Virginia § 23.1-307. Public Notice of higher education, tuition and fees
- Appropriation Act § 4-2.01 b.8.a) Comprehensive Fee policy
- Code of Virginia Athletic Funding policy: §23.1-1309 C

Proposed room and board rates informed by:

- Market competitiveness
- Known or projected costs
- Service level needs



Current state: Virginia Tech's room and board among the lowest in the state

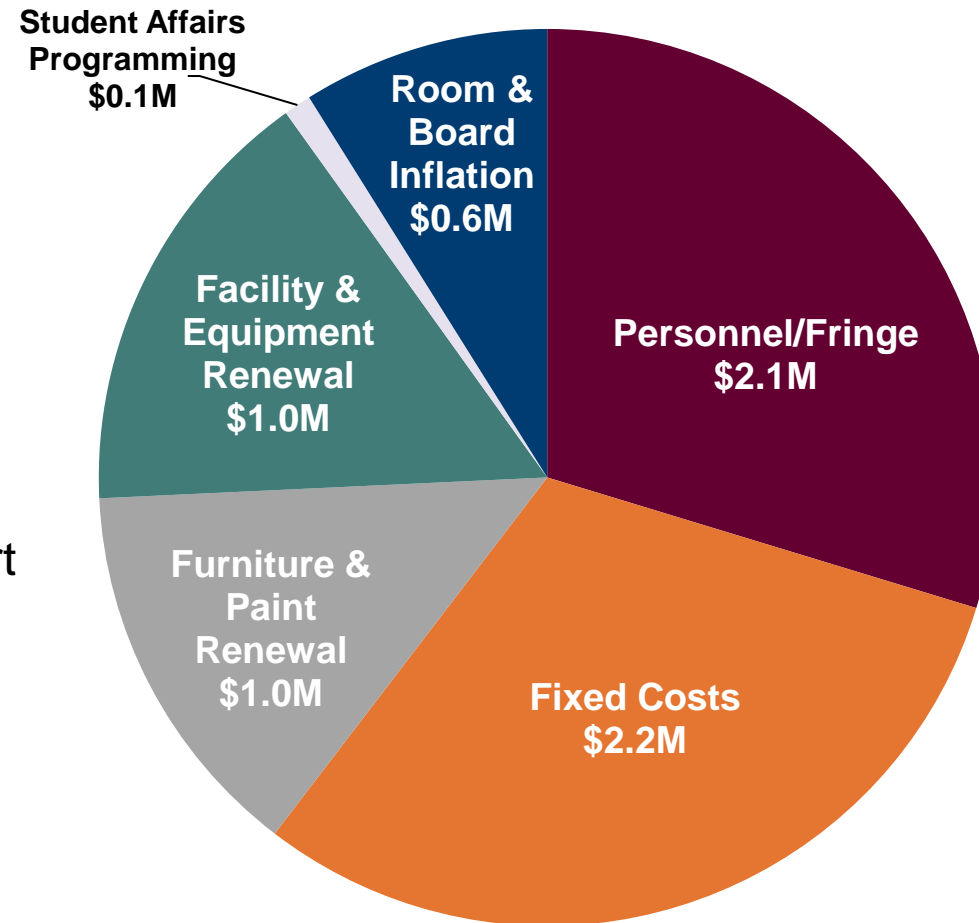


4.4% room and board increase driven by mandated and unavoidable cost increases

	Cost	
	in millions	%
Mandatory & Unavoidable Costs	\$ 6.9	4.1%
Service Needs	0.1	0.3%
Total	\$ 7.0	4.4%

Increase supports:

- 3.0% state-mandated compensation program and 6% health care increase
- \$0.1M in costs related to student life staffing and support
- Inflationary pressures mirror trends in the market
 - Food price inflation
 - Inflationary impacts on supplies
- Facility and equipment renewal
- Allergen Free Dining
- Continued simplification of room rates from 6 to 3



Proposed 2025-26 Tuition and Fee Increases

	2025-26
Tuition	2.9%
Comprehensive Fee	\$186
Room & Board	4.4%

Questions?

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