

MINUTES

BOARD OF VISITORS SPECIAL MEETING ON TUITION AND FEE RATES FOR 2023-24

April 21, 2023

The Board of Visitors of Virginia Polytechnic Institute and State University met in open session on Friday, April 21, 2023, in an all-virtual meeting that was livestreamed for the public on YouTube. There was no public comment period. A quorum was present on the videoconference.

Present

Ed Baine (Vice Rector)
Shelley Barlow
Carrie Chenery
Sandy Davis
Greta Harris
C. T. Hill
Anna James
Tish Long (Rector)
Sharon Brickhouse Martin
Melissa Nelson
Chris Petersen
Jeff Veatch

Absent

David Calhoun
Brad Hobbs

Constituent Representatives Present:

Anna Buhle, Graduate/Professional Student Representative
Holli Drewry, Administrative and Professional Faculty Representative
Jamal Ross, Undergraduate Student Representative
Serena Young, Staff Representative

Absent:

Robert Weiss, Faculty Representative

Also present were the following: President Timothy Sands, Kim O'Rourke (Secretary to the Board), Provost Cyril Clarke, Al Cooper, Corey Earles, Kay Heidbreder, Elizabeth Hooper, Tim Hodge, Ken Miller, Mark Owczarski, Lisa Royal, Amy Sebring, Brennan Shepard, and Tracy Vosburgh.

During the meeting, there were 65 concurrent viewers on YouTube and a total of 67 views.

Rector Long called the virtual meeting to order at 10:00 a.m.

In her opening comments, Rector Long explained that the board's vote on tuition and mandatory fees was originally planned to occur on March 20 in hopes that the General

Assembly would have completed its work by then to amend the state budget for fiscal year 2024, allowing us to set tuition and fee rates for next year with a full understanding of the impact of the state's actions. The board's vote was postponed because the General Assembly had not yet completed its work on the budget prior to March 20.

She expressed appreciation for the work of the General Assembly and the Governor and the support that they give to higher education and Virginia Tech. However, because their work on the state budget is still ongoing and the latest news is that it may not be completed until July, the board determined that it was necessary to act on the tuition and fee proposal before the May 1 deadline for students who have been offered admission to accept their offer. While we still have questions about the level of state support Virginia Tech might receive and the extent to which state-mandated policies will drive our costs next year, our students and families need to begin planning for the year ahead.

There has been no increase in the tuition and fees proposal since the public comment was received. A public comment session on tuition and fees was held by the board on March 2, 2023, and written comments were received through March 13, 2023, all of which were shared with the board and the public prior to the Board's March 20 meeting and remain available on the board's website. (Copy filed with the permanent minutes and marked Attachment C.). As the board considers the recommendations presented today, they are fully aware of the challenges facing our students and families.

Those recommendations from university leadership have been made with some key parameters in mind:

- 1) Inflation: Virginia Tech's in-state tuition rates have increased at or below inflation on an annual basis for the past 5 years. Cumulatively, inflation has increased 21 percent over the past 5 years while in-state undergraduate tuition has increased 9 percent over the same period, due in large part to the state's incremental support of Virginia Tech. Yet, while inflation impacts our students and families, it also impacts the costs of university operations such as utilities and supplies, and impacts our employees and their families, increasing pressure on competitive compensation.
- 2) The Virginia Tech Advantage: The president's priority to provide a high-quality educational experience to all students regardless of income. The board, in collaboration with President Sands and others across the university, continues to take a deep dive into our student financial aid offerings. As we heard last month, we expect university leaders to bring forward a full report at our June meeting with recommendations to implement a significant initiative to further expand the opportunity of a Virginia Tech education not only to low-income, but increasingly to middle-income Virginia families with financial barriers.
- 3) State funding: In last year's biennium state budget, the Commonwealth provided significant operating support in the first year of the biennium (FY23) that helped the university mitigate tuition increases when we took action last year. However, the second year of that biennium budget, which the state is currently reconsidering, does not include incremental operating support to defray our rising costs in FY24.

Further, the state has mandated a much-needed salary increase for employees. Although such increases help the university retain and attract talented faculty and staff, the state only funds a fraction of the cost, leaving the university to cover the remainder through tuition, fees, and other self-generated revenue. She noted that some of these facts could change as the Governor and the General Assembly finalize the FY24 budget, but these are the facts that are before us today.

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Rector Long called on Amy Sebring, Executive Vice President and Chief Operating Officer, to present the university's recommendations. Ms. Sebring's PowerPoint presentation covered affordability and financial aid to Virginia Tech students, student success rates, the level of state support, how state support and tuition revenue are used, and factors influencing tuition development, as well as the proposed 2023-24 tuition and fees. (Copy filed with the permanent minutes and marked Attachment B.) The proposal presented to the board would raise tuition and fees by 4.9 percent for both in-state and out-of-state undergraduate and graduate students effective Fall Semester 2023.

Ms. Sebring explained that the university administration had discussed a scenario whereby tuition and fees might be set lower initially and then increased at a later date if necessary depending on the outcome of the General Assembly's budget action. However, there was concern within the university administration that setting tuition and fees low initially and then possibly having to revisit and raise the rate once the General Assembly and Governor finish their work could be perceived by students and their families as a bait-and-switch tactic. President Sands expressed support instead for the board approving the proposal for a 4.9 percent tuition increase now in the hope of being able to come back to the board at a later date to reduce the increase if warranted once the General Assembly and Governor complete their work on the state budget.

The board discussed the need for families to have definitive information to guide their decisions as well as the board's expectation that the university would always consider internal reallocations as part of developing any proposal for an increase in tuition and mandatory fees.

Rector Long stated that this is one of the most difficult decisions this board has had to make. As a global land-grant research university, it is our distinct responsibility to ensure that an exceptional higher education experience is within the reach of all students. In partnership with the Commonwealth of Virginia, we have been able to mitigate and even freeze tuition increases in recent years, while maintaining and enhancing the quality, and therefore the benefit, of a Virginia Tech education. We have been able to expand our support for student financial aid, and to support the hard-working faculty and staff that are the backbone of everything we do. With inflation continuing to outpace incremental state resources, tuition and fees – the university's biggest sources of revenue – have become increasingly important in ensuring that we can provide the quality education our students expect. As we seek not only to set tuition and fees, but to also develop the budget for the upcoming fiscal year, it will be

incumbent on this board to balance the impact of rising costs and needed investments in quality, and to sharpen our focus on how we make Virginia Tech more accessible to the families who currently feel a Virginia Tech education is out of their financial reach. Some of that will come through new investments over the next five years; some will come from reallocations and a re-prioritization of existing resources to support our highest needs. She emphasized that as the board considers the recommendations presented today, they do so fully aware of the challenges facing our students and families.

The following motion was made by Mr. Hill, seconded by Ms. Harris, and passed unanimously by the 12 board members in attendance.

**RESOLUTION ON TUITION, FEES, ROOM, AND BOARD RATES
EFFECTIVE FALL 2023**

That the tuition, fee, room, and board rates as recommended be approved effective Fall Semester 2023, and further, pending final action by the General Assembly, that the board authorizes the president to reduce increases to the comprehensive fee and room and board rates to 6.9 percent and 8.9 percent, respectively. (Copy filed with the permanent minutes and marked Attachment A.)

President Sands thanked the board for the thorough discussion and the trust they have placed in the administration. Although the impact of mandated and unavoidable costs, driven by inflation, are putting upward pressure on tuition and fees, the university is committed to its two top priorities: the Virginia Tech Advantage and our quest to become a top-100 global research university. He acknowledged that our effort to enhance access and affordability through the Virginia Tech Advantage is in tension with rising tuition and fees. To mitigate this tension, we have continued to support Funds for the Future, which protects continuing students from families with incomes below \$100,000 from increases in tuition. The university is also adding \$5.6M in state financial aid for FY24. Addressing the comment made by BOV member Sandy Davis that there are families with incomes above \$100,000 that fall in the gap between those existing aid programs and the family resources that would make Virginia Tech affordable, he stated that the university will look carefully at those in this gap to determine whether there is more we can do to help with affordability.

Rector Long expressed optimism that the final state budget may include incremental net resources that would allow the university to make further progress on its strategic priorities, including tuition mitigation and expansion of the Virginia Tech Advantage to improve the university's access and affordability for undergraduate students. She stated that the board is committed to ensuring that the university provides the greatest value to our students and is prepared to revisit its decisions in the context of the overall budget once the state actions are fully understood.

The meeting was adjourned at 11:12 a.m.

Letitia Long, Rector

Kim O'Rourke, Secretary