TUITION & FEE PUBLIC HEARING

AMY SEBRING, EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

March 26, 2024
Virginia Tech Advantage

Embodies our land-grant mission by bridging financial gaps for students, ensuring steady degree progress, and fostering holistic student success

Global Distinction

A commitment to institutional excellence across research, teaching, and engagement that makes the university a destination for the best faculty, students, and partners from the commonwealth, the nation, and the world
OVER PAST 5 YEARS, TUITION INCREASED AT HALF THE RATE OF INFLATION

Over the past five years:
- Consumer Price Index (inflation) has increased **22%**
- In-State undergraduate tuition has increased just **11%**

Virginia Tech In-State Tuition and E&G Fees vs. Inflation
FY19 - FY24

Virginia Public Four-Year Institutions
FY24 In-State Undergraduate Tuition & E&G Fees

* FY23 and FY24 In-state increase offset by one-time tuition mitigation scholarships.
Virginia Tech provided $169 million in undergraduate grants and scholarships in FY23, of which $71 million was need-based aid.

**Funds for the Future**
- Offsets tuition and fee increases for continuing undergraduates whose family income is $100,000 or less, ensuring they do not experience a net price increase over four years.

**Virginia Tech Advantage**
- At scale, Virginia Tech Advantage will add $51.5 million annually in need-based gift aid.
- The 10-year fundraising goal of $500 million:
  - $400 million in endowed scholarships,
  - $50 million in current-use scholarships,
  - $25 million in endowed funds and another $25 million in current-use funds to:
    - meet basic needs (food insecurity and emergency funds);
    - enhance career preparation (paid internships and coops, internship costs, mentoring and advising); and
    - offer transformational learning experiences (study abroad, undergraduate research, summer experiences).
- Private funds will leverage institutional and governmental support.
STUDENT SUCCESS IS KEY TO RETURN ON INVESTMENT

- Strong Graduation Rate
  - 4-year: 69%
  - 6-year: 86%

- Average time-to-degree = 3.9 years
  - Shorter completion time lowers student cost
  - Seven of eight colleges below 4.0 years

- $66,560 - Median starting salary of 2022 graduates
TUITION DRIVES OUR ABILITY TO DELIVER EDUCATIONAL PROGRAMS

Educational & General Budget

Revenue (sources)

- Tuition and Fees, 69%
- State General Fund, 25%
- All Other E&G Income, 6%

Expenditure by Function (uses)

- Instruction and Academic Services, 62%
- Library, Advising Services, 14%
- Central Support Services, 10%
- Facility Maintenance and Utilities, 10%
- Student Services, 4%
HIGHER EDUCATION IS PEOPLE INTENSIVE
Personnel account for 77% of E&G cost

Faculty, Staff, GA, Wage 77%
Operating 23%

Continuous Charges (utilities, insurance, leases) 6%
Computing and Telecommunications 6%
Supplies and Materials 4%
Equipment 3%
Travel 2%
Contractual Services, Plant and Improvements, and Operating 2%
STATE IS A CRITICAL PARTNER

- The Commonwealth subsidizes the cost of Virginia resident undergraduate education
- State support has evolved over time, shifting the burden to students/families
- Despite recent state investments, adjusted for inflation, the university receives $4,000 less state support per resident student than in 2000

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
FACTORS IN SETTING TUITION

- Compensation (State requires the university to cover 62% of the cost of state-mandated compensation programs for E&G programs)
  - 77% of E&G expenses are personnel
    - Faculty, staff, graduate assistants, and wage employees
    - Competition for talent is increasing, raising labor costs
- State mandated costs including health care, retirement, and codified waivers
- Level of state support
- Unavoidable inflationary costs including utilities, insurance, leases, facility maintenance, and subscriptions
- Maintenance of academic quality
- Internal strategic reinvestments and efficiency gains
COMPREHENSIVE FEE IS AN IMPORTANT SOURCE OF AUXILIARY ENTERPRISE FUNDING

Revenue (sources)

- Self-Generated Revenues 48%
- Room & Board User Charges 32%
- Comprehensive Fees 20%

Expenditures (uses)

- Operating 31%
- Personnel 39%
- Facilities (debt, maintenance, planning) 18%
- Fixed Costs (utilities, insurance, leases) 12%
- Operating 31%
- Personnel 39%
- Facilities (debt, maintenance, planning) 18%
- Fixed Costs (utilities, insurance, leases) 12%

Personnel 39%
The Comprehensive Fee supports:

- **Student Health**
  - Student health & counseling services

- **Student Activities**
  - Student activities, centers, & organizations

- **Student Services**
  - Transportation programs
  - Wireless service

- **Athletics**
  - Intercollegiate athletics

- **Recreational Sports**
  - Recreational programs, sports clubs, & facilities

Factors influencing fee development include state compensation and benefits, inflationary costs, health and counseling, transit operations, and facility maintenance.
## Ranges for 2024-25 Tuition and Fee Increases

<table>
<thead>
<tr>
<th></th>
<th>2024-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Undergraduate Tuition</td>
<td>0.0% - 3.0%</td>
</tr>
<tr>
<td>Nonresident Undergraduate Tuition</td>
<td>0.0% - 3.0%</td>
</tr>
<tr>
<td>Virginia Graduate Tuition</td>
<td>0.0% - 3.0%</td>
</tr>
<tr>
<td>Nonresident Graduate Tuition</td>
<td>0.0% - 3.0%</td>
</tr>
<tr>
<td>Comprehensive Fee</td>
<td>0.0% - 4.0%</td>
</tr>
</tbody>
</table>
VIRGINIA TECH: VALUE AND QUALITY

Top 20
Best Public Schools - U.S. News & World Report

Top 10
Return on Investment among public research universities - 2022
Georgetown University Center on Education and the Workforce Study

Top 40
Best National Universities - Washington Monthly

Top 50
Best National Universities - U.S. News & World Report
• Written comments will continue to be accepted through April 1

• All comments will be made available to the Board of Visitors prior to consideration of undergraduate and graduate tuition and fees
PUBLIC COMMENT