

Committee Minutes

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

Room 260, New Classroom Building June 2-3, 2025

Joint Open Session

June 3, 2025

Board members present: Janice Austin – Administrative and Professional Faculty Representative, Ed Baine (Rector), LaTawnya Burleson – Staff Representative, Dave Calhoun (Vice Rector), Sandy Davis, Nancy Dye, William Holtzman, Donald Horsley, Anna James, Starlette Johnson, Letitia Long, Ryan McCarthy, Rachel Miles – Faculty Representative, Jim Miller, Leslie Orellana – Undergraduate Student Representative, J. Pearson, William Poland – Graduate and Professional Student Representative, John Rocovich, Jeanne Stosser

University personnel and guests: Simon Allen, Susan Anderson, Mac Babb, Callan Bartel, Cassidy Blackmore, Andrew Bolling, Eric Brooks, Kristie Caddick, Ann Cassell, Cyril Clarke, Al Cooper, Catherine Cotrupi, Debbie Day, Katherine Drinkwater, Corey Earles, Jeff Earley, Caroline Eaton, Alisha Ebert, Juan Espinoza, Ron Fricker, Michael Friedlander, Ian Friend, Rachel Gabriele, Bryan Garey, Avery Gendell, Mark Gess, Emily Gibson, Nannette Gordon, Leslie Hager-Smith, Chelsea Haines, Kay Heidbreder, Tim Hodge, Elizabeth Hooper, Anne Keeler, Frances Keene, Sharon Kurek, Justin Lemkul, Jeff Loeffert, Kim Loeffert, Rob Mann, Meghan Marsh, Elizabeth McClanahan, Nancy Meacham, Laurel Miner, Liza Morris, Mike Mulhare, Justin Noble, Kim O'Rourke, Jeff Orzolek, Stephanie Overton, Mark Owczarski, Lauren Pollard, Paul Richter, Tanya Rogers, Tim Sands, Amy Sebring, Brennan Shepard, Oliver Shuey, Mark Sikes, Ken Smith, Michael Staples, Michael Stowe, Dan Sui, Aimée Surprenant, Dwyn Taylor, Monécia Taylor, Jon Clark Teglas, Marc Verniel, Rob Viers, Melinda West, Chris Wise, Andy Woodall, Christopher Yianilos

1. **Discussion of On-Campus Housing Framework and Planning Assumptions:**
The Committees discussed and affirmed on-campus housing framework and planning assumptions for specific student populations that will be used as key inputs for the proposal requested by the Board at the August Board meeting, likely including a combination of renovation projects and limited new construction.

*** Requires full Board approval**

Discusses Enterprise Risk Management topic(s)

+ Discusses Strategic Investment Priorities topic(s)

Open Session**June 3, 2025**

Board members present: Janice Austin – Administrative and Professional Faculty Representative, Ed Baine (Rector), LaTawnya Burleson – Staff Representative, Dave Calhoun (Vice Rector), Sandy Davis, Nancy Dye, William Holtzman, Donald Horsley, Anna James, Starlette Johnson, Letitia Long, Ryan McCarthy, Rachel Miles – Faculty Representative, Jim Miller, Leslie Orellana – Undergraduate Student Representative, J. Pearson, William Poland – Graduate and Professional Student Representative, John Rocovich, Jeanne Stosser

University personnel and guests: Simon Allen, Beth Armstrong, Lauren Augustine, Mac Babb, Callan Bartel, Lynsay Belshe, Cassidy Blackmore, Andrew Bolling, Kristie Caddick, Ann Cassell, Cyril Clarke, Lance Collins, Al Cooper, Catherine Cotrupi, Debbie Day, Katherine Drinkwater, Heather Ducote, Corey Earles, Jeff Earley, Caroline Eaton, Alisha Ebert, Abbey Erwin, Juan Espinoza, Ron Fricker, Michael Friedlander, Ian Friend, Rachel Gabriele, Bryan Garey, Avery Gendell, Mark Gess, Nannette Gordon, Rebekah Gunn, Chelsea Haines, Kay Heidbreder, Tim Hodge, Elizabeth Hooper, Travis Jessee, Anne Keeler, Frances Keene, Chris Kiel, Sharon Kurek, Justin Lemkul, Kim Loeffert, Rob Mann, Andrew Marinik, Meghan Marsh, Elizabeth McClanahan, Hud McClanahan, Nancy Meacham, Laurel Miner, Liza Morris, Mike Mulhare, Justin Noble, Kim O'Rourke, Jeff Orzolek, Mark Owczarski, Gabrielle Patarinski, Sharon Pitt, Lauren Pollard, Tanya Rogers, Tim Sands, Amy Sebring, Brennan Shepard, Oliver Shuey, Mark Sikes, Ken Smith, Rick Sparks, Michael Staples, Michael Stowe, Dan Sui, Aimée Surprenant, John Tarter, Dwyn Taylor, Monecia Taylor, Jon Clark Teglas, Roxy Todd, Rob Viers, Melinda West, Chris Wise, Andy Woodall, Chris Yianilos

1. Motion to Reconvene in Open Session

2. Welcome and Opening Remarks

3. Consent Agenda: The Committee considered for approval and acceptance the items listed on the Consent Agenda.

a. **Approval of Items Discussed in Joint Closed Session:** The Committee reviewed and approved the items discussed in joint closed session.

b. **Approval of Minutes of the March 24-25, 2025 Meeting:** The Committee reviewed and approved the minutes of the March 24-25 meeting.

* c. **Approval of 2025-26 Hotel Roanoke Conference Center Commission Budget:** The Hotel Roanoke Conference Center Commission was

* Requires full Board approval

Discusses Enterprise Risk Management topic(s)

+ Discusses Strategic Investment Priorities topic(s)

established by resolutions adopted by Virginia Tech and the City of Roanoke, under Commonwealth of Virginia enabling legislation. The enabling legislation provided that the Commission shall annually prepare and submit to both the City of Roanoke and Virginia Tech a proposed operating budget showing its estimated revenues and expenses for the forthcoming fiscal year. If the estimated expenses exceed the estimated revenues, the portion of the unfunded balance is to be borne equally by each participating party for the operation of the conference center.

- * d. **Approval of 9(d) Debt Financing Resolution for the New Business Building:** The Committee reviewed for approval a debt financing resolution. This resolution identifies the Executive Vice President and Chief Operating Officer, the Vice President for Finance and Chief Financial Officer, and the Assistant Vice President for Finance and Associate Treasurer as Authorized Officers to execute and deliver all certificates and instruments and to take such further action as may be considered necessary or desirable in connection with the sale and issuance of debt for the New Business Building. The financing for this project is not to exceed \$37.5 million.
- * e. **Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies:** This is the university's annual notification to the Board of Visitors detailing the provisions of the Appropriation Act relating to indebtedness of state agencies, or unauthorized deficits.

The Committee approved the items on the Consent Agenda and recommended the 2025-26 Hotel Roanoke Conference Center Commission budget, the 9(d) Debt Financing Resolution for the New Business Building, and the Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies to the full Board for approval.

- # 4. **Update on Advancement:** Monecia Taylor, Vice President for Advancement, provided an update on new gifts and commitments and cash for the fiscal year.
- * 5. **Approval of Year-to-Date Financial Performance Report (July 1, 2024 – March 31, 2025):** The Committee reviewed for approval the Year-to-Date Financial Performance Report for July 1, 2024 to March 31, 2025. For the third quarter, budget adjustments were made to reflect revisions to projected revenues and expenditures. The report shows the actual revenues and expenses compared

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Discusses Enterprise Risk Management topic(s)

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to the budgets and the overall status and expenditures of ongoing capital projects. As of March 31, 2025, operating revenues and expenditures are on track.

The Committee recommended the Year-to-Date Financial Performance Report to the full Board for approval.

#+ 6. Approval of 2025-26 University Operating and Capital Budgets: The Committee reviewed for approval the proposed university operating and capital budgets for 2025-26.

The Operating Budget for the 2025-26 fiscal year has a recommended internal budget for all operations of \$2.5 billion. This is an increase of \$174.2 million over the adjusted budget for last year. On a like-for-like basis, the budget is 2.9% larger, with the remaining growth driven by certain activity processing being relocated from the Foundation to the university. The university's total General Fund allocation is estimated to be approximately \$464.8 million, an increase of \$8.0 million over last year's adjusted budget. General Fund revenues will provide \$420.6 million in support for the instructional, research, and extension programs, \$40.6 million for student financial assistance, and \$3.7 million for the Unique Military Activities program. The increase in the General Fund will primarily be used to fund the salary increases included in the state budget.

The overall change in the budget includes an increase of \$36.0 million attributable to the Educational and General programs and \$30.5 million of projected growth in Auxiliary Enterprises. The Auxiliary Enterprise budget includes the budgets of four Auxiliary Systems; the Dormitory and Dining Hall System, the Electric Service Utility System, the University Services System, and, the Athletic Facilities System, in accordance with the resolutions authorizing and securing revenue bonds. The university's Educational and General budget will be \$1.2 billion and the Auxiliary Enterprise revenue budget is \$522.2 million for fiscal year 2025-26. The projected annual budget for Sponsored Programs is \$479.1 million, a decrease of \$4.7 million, or 1.0 percent lower than the adjusted budget for last year. The projected 2025-26 budget includes \$108.7 million of private funds which were previously paid directly by the Virginia Tech Foundation.

Understanding that strategic investments will not be realized solely through incremental new revenue, the university is planning for \$25 million of reinvestments over five years to support a portion of the multi-year initiative vision. For 2025-26, the university has identified \$10.7 million of university reinvestments and DEI Resolution savings. The reinvestments and savings will be aligned with

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Discusses Enterprise Risk Management topic(s)

+ Discusses Strategic Investment Priorities topic(s)

initiatives to advance Global Distinction, Virginia Tech Advantage, and Enabling Infrastructure.

The Capital Budget capital outlay program for 2025-26 is comprised of 16 Educational and General projects and three Auxiliary Enterprise projects for a total of 19 projects. The total multi-year capital program for 2025-26 includes approximately \$1.16 billion of authorizations with an annual expenditure budget of approximately \$147 million for 2025-26.

The Committee recommended the 2025-26 University Operating and Capital Budgets to the full Board for approval.

#+ 7. Update on the Development of the 2026-2032 Six-Year Plan: The Committee received an update on the development of the 2026-2032 Six-Year Plan.

#+ 8. Discussion of Enrollment Demand: The Vice Provost for Enrollment Management led a discussion of enrollment demand. Juan Espinoza, Vice Provost for Enrollment Management, shared key findings from the university's recent enrollment survey. Overall, the survey results indicate that Virginia Tech's brand is very strong, with major attributes including a vibrant campus life and school spirit, athletics, a strong alumni network, and opportunities to participate in undergraduate research projects. Additionally, prices and aid are well-optimized to market preferences, but with less flexibility in pricing for out-of-state students than in-state students.

*** 9. Approval of 2025-26 Faculty Compensation Plan:** The Committee reviewed for approval the 2025-26 Faculty Compensation Plan. Based on the university's understanding of the state budget, a three percent faculty salary increase, effective on the July 1, 2025 paycheck, has been planned.

The university traditionally implements such state increases differentially on the basis of merit. In anticipation of this program, merit recommendations were developed during the spring of 2025, consistent with the proposed 2024-25 Faculty Compensation Plan. Implementation of this increase is subject to Board approval.

To maintain and improve upon the university's standing relative to the 50th percentile of the Top 20 Land Grant peers, the higher levels of competing offers received by key faculty, and to minimize the high cost of turnover, the university

*** Requires full Board approval**

Discusses Enterprise Risk Management topic(s)

+ Discusses Strategic Investment Priorities topic(s)

will continue to explore opportunities to improve the competitiveness of Virginia Tech faculty compensation.

The Committee recommended the 2025-26 Faculty Compensation Plan to the full Board for approval.

- * **10. Approval of 2025-26 Compensation for Graduate Assistants:** The Committee reviewed for approval the proposed 2025-26 schedule of stipends and support for the health insurance program for graduate students. The university proposed a 3.0 percent increase in the stipend scale, \$107 stipend supplement increase for graduate students, and the establishment of a minimum stipend of \$2,800 per month. The university also proposed streamlining the graduate assistant compensation to 11 pay range “steps” for 2025-26.

The Committee recommended the 2025-26 Compensation for Graduate Assistants to the full Board for approval.

- 11. Discussion of Future Agenda Topics and Closing Remarks:** The Committee discussed possible topics for future meetings and other topics as needed.

There being no further business, the meeting adjourned at 11:04 a.m.

* Requires full Board approval

Discusses Enterprise Risk Management topic(s)

+ Discusses Strategic Investment Priorities topic(s)

Open Session Agenda
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
9:00 a.m., Room 260 New Classroom Building
June 3, 2025

<u>Agenda Item</u>	<u>Reporting Responsibility</u>
1. Motion to Reconvene in Session	Jim Miller
2. Welcome and Opening Remarks	Dave Calhoun
3. Consent Agenda	Dave Calhoun
a. Approval of Items Discussed in Joint Closed Session	
b. Approval of Minutes of the March 24-25, 2025 Meeting	
* c. Approval of 2025-26 Hotel Roanoke Conference Center Commission Budget	
* d. Approval of a 9(d) Debt Financing Resolution for the New Business Building	
* e. Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies	
# 4. Update on Advancement	Monecia Taylor
*+ 5. Approval of Year-to-Date Financial Performance Report (July 1, 2024 – March 31, 2025)	Tim Hodge Rob Mann Simon Allen
*#+ 6. Approval of 2025-26 University Operating and Capital Budgets	Simon Allen Tim Hodge Rob Mann
#+ 7. Update on the Development of the 2026-2032 Six-Year Plan	Simon Allen Tim Hodge
#+ 8. Discussion of Enrollment Demand	Juan Espinoza
* 9. Approval of 2025-26 Faculty Compensation Plan	Simon Allen Tim Hodge
* 10. Approval of 2025-26 Compensation for Graduate Assistants	Tim Hodge
11. Discussion of Future Agenda Topics and Closing Remarks	Dave Calhoun

* Requires full Board approval

Discusses Enterprise Risk Management topic(s)

+ Discusses Strategic Investment Priorities topic(s)

Joint Closed Session Agenda
ACADEMIC, RESEARCH, AND STUDENT AFFAIRS COMMITTEE
and
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
10:30 a.m., Room 260, New Classroom Building
June 2, 2025

<u>Agenda Item</u>	<u>Reporting Responsibility</u>
1. Motion to Begin Joint Closed Session	N. Dye
* 2. Ratification of Personnel Changes Report <i>(voted on by Finance and Resource Management Committee only)</i>	S. Allen
* 3. Resolution to Approve 2024-25 Promotions, Tenure, and Continued Appointments	R. Fricker
4. Update on Compliance with March 25, 2025 BOV Resolution	C. Clarke
5. Motion to Begin Open Session	N. Dye

Open Joint Session Agenda

**FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND BUILDINGS AND GROUNDS COMMITTEE**

8:15 a.m., Room 260, New Classroom Building

June 3, 2025

<u>Agenda Item</u>	<u>Reporting Responsibility</u>
1. Discussion of On-Campus Housing Framework and Planning Assumptions	Amy Sebring

Joint Closed Session Agenda

**FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND
BUILDINGS AND GROUNDS COMMITTEE**

**To begin immediately following the Joint Open Session
Room 260, New Classroom Building**

June 3, 2025

<u>Agenda Item</u>	<u>Reporting Responsibility</u>
1. Motion for Joint Closed Session	Starlette Johnson
2. Update on Real Estate Development Opportunity	Amy Sebring
3. Motion to Reconvene in Joint Open Session	Anna James

Consent Agenda

- a. Approval of Items Discussed in Joint Closed Session
- b. Approval of Minutes of the March 24-25, 2025 Meeting
- * c. Approval of 2025-26 Hotel Roanoke Conference Center Commission Budget
- * d. Approval of a 9(d) Debt Financing Resolution for the New Business Building
- * e. Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies

Committee Minutes

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

Latham Ballroom A/B, the Inn at Virginia Tech

March 24-25, 2025

Open Session

March 24, 2025

Board members present: Janice Austin – Administrative and Professional Faculty Representative, Ed Baine (Rector), LaTawnya Burleson – Staff Representative, Dave Calhoun (Vice Rector), Sandy Davis, Nancy Dye, William Holtzman (via Zoom)*, Donald Horsley, Anna James, Starlette Johnson, Letitia Long, Ryan McCarthy, Rachel Miles – Faculty Representative, Jim Miller, Leslie Orellana – Undergraduate Student Representative, J. Pearson, William Poland – Graduate and Professional Student Representative, John Rocovich, Jeanne Stosser

**One Board member participated remotely from Florida while on vacation in accordance with Code of Virginia §2.2-3708.3(B) and the board's bylaws. A quorum was physically present.*

University personnel and guests: Lisa Abbott, Zackaria Al-Husainawi, Simon Allen, Lauren Augustine, Ella Aussey, William Babb, Bradley Babcock, Lauren Bach, James Bailey, Callan Bartel, Kenneth Belcher, Lisa Belden, Laura Belmonte, Haley Bennett, Ashleigh Bingham, Harrison Blythe, Michael Borowski, Stephanie Brady, James Bridgeforth, David Brunsma, Rebecca Caldwell, Julie Carlson, Gregory Carter, Kaitlin Carter, Caleb Charpentier, Shayan Choudhry, Megan Christle, Kimberly Clark, Cyril Clarke, Emma Clevinger, Lance Collins, Al Cooper, Reeva Cordice, Catherine Cotrupi, Paige Crane, Thomas Crawford, Chandler Crean, Rachel Dalton, Kairavi Dandekar, Jessica Davis, Meaghan Dee, Benjamin D'Elia, Michelle Deramo, Andrew Dolbin-Macnab, Holli Drewry, Jared Duffy, Cedric Dunham Iii, Kevin Dye, Corey Earles, Jeffrey Earley, Eric Earnhart, Matthew Ebert, Alexander Efird, Abbey Erwin, Juan Espinoza, Ronald Fricker, Michael Friedlander, Ian Friend, Rachel Gabriele, Cliff Gaines, Jennifer Gallagher, Bryan Garey, Edward Gitre, Martha Glass, April Goode, Ellington Graves, Rebekah Gunn, Andrew Gunsch, Gia Ha, Nina Ha, Allison Hagee, Chelsea Haines, Brandon Hall, Silke Hauf, Kay Heidbreder, Janet Hilder, Timothy Hodge, Rachel Holloway, Elizabeth Hooper, Kristen Houston, Bailey Howell, Cyndi Hutchison, Alexis Isaac, Elizabeth Jamison, Robin Jones, Thomas Jones, Maryam Kamran, Eric Kaufman, Frances Keene, Nicholas Kocz, Meghan Kuhn, Sharon Kurek, Katherine Lafon, Ashley Leduc, Walter Lee, Kimberly Loeffert, Madeleine Macdougall, Meghan Madel, Robert Mann, Sarah Margolis, Sandra Martin, Elizabeth McClanahan, Megan Mchenry, Steven Mcknight, Nancy Meacham, Jessica Meltsner, Joseph Merola, Mallory Miller, Joseph Mills, Laurel Miner, Jeffrey Mitchell, Ronnie Mondal, Mike Mulhare, John Nuckols, Shane

Justin Nuuhiwa, Kelly Oaks, Kim O'Rourke, Marilyn Ortega, Stephanie Overton, Sarah Ovink, Mark Owczarski, Anna Gabrielle Patarinski, Jamie Penven, Charles Phlegar, Alexandra Pirkle, Lauren Pollard, Jonathan Porter, Courtney Powell, Menah Pratt, Kathryn Rappold, Patricia Raun, Ashley Reed, Susanna Rinehart, Daniel Robertson, Tanya Rogers, Julia Ross, Karen Sanders, Tim Sands, Saonee Sarker, Ryan Saunders, Glenda Scales, Kiera Schneiderman, Orlando Schwery, Amy Sebring, Rohsaan Settle, Brennan Shepard, Damira Shields, Oliver Shuey, Mark Sikes, Christine Smith, Jaida Smith, Maya Snyder, Tristan Southerland, Richard Sparks, Michael Staples, Michael Stowe, Emma Stubbe, Dan Sui, Aimee Surprenant, Don Taylor, Dwyn Taylor, Johnathan Taylor, Jon Clark Teglas, Alexander Thomas, Cathryn Thomas, Crasha Townsend, Timberly Tran, Mary Trigiani, Josef Uyeda, Jose Vargas-Muniz, Peggy Vilardo, Heather Wagoner, Haleigh Wallace, Bevelee Watford, Jennifer Wayne, Shauna Webb, Melinda West, Sarah Wickwire, Stacey Wilkerson, Lisa Wilkes, Iyaira Williams, Wendi Williams, Tiffany Willis, Paul Winistorfer, Christopher Wise, Christopher Yianilos

1. Motion to Reconvene in Open Session

2. Welcome and Opening Remarks

3. Consent Agenda: The Committee considered for approval and acceptance the items listed on the Consent Agenda.

a. Approval of Items Discussed in Closed Session: The Committee reviewed for approval the Ratification of Personnel Changes Report. During this presentation, Simon Allen, Vice President for Finance and Chief Financial Officer, noted that the salary threshold for inclusion in this report increased from \$125,000 to \$150,000. All other criteria remain unchanged.

b. Approval of Minutes of the November 19, 2024 Meeting

The Committee approved the items on the Consent Agenda.

4. State Legislative and Budget Update: The Committee received a state legislative update, including an overview of the legislation that passed and failed during the 2025 General Assembly session. This update also included information on the commonwealth's fiscal year 2026 budget and the one-time nature of much of the support.

***#+ 5. Resolution for Approval of 2025-26 Tuition and Fee Rates:** The Committee reviewed for approval a resolution to approve the proposed 2025-26 tuition and fee rates. The 2004 General Assembly authorized "Board of Visitors . . . of

institutions of higher education may set tuition and fee charges at levels they deem to be appropriate for all resident student groups based on, but not limited to, competitive market rates...” The Committee received an overview of the unavoidable cost drivers of tuition and fee rates, including state-mandated faculty and staff compensation, healthcare rate increases, and other unavoidable cost increases.

For 2025-26, the university proposes increases in tuition rates (2.9 percent) and mandatory educational and general (E&G) fee rates (0.4-2.7 percent) for: in-state and out-of-state undergraduate and graduate students; Virginia/Maryland Regional College of Veterinary Medicine students; and Virginia Tech Carilion School of Medicine students.

The university recommends an increase of \$186 to the total comprehensive fee and 4.4 percent average increase in room and board.

The Committee recommended the Resolution for Approval of 2025-26 Tuition and Fee Rates to the full Board for approval. Dave Calhoun introduced an amendment to the resolution based on the Governor’s amendment, released on March 24. The amendment read, “Contingent upon the outcome of the state budget, should a limit on tuition and mandatory educational and general fees for in-state undergraduates be adopted, the increases approved herein shall be modified to comply.”

- #+ 6. **Federal Legislative Update and Financial Impacts:** The Committee received a federal legislative update, including an overview of the financial impacts of recent federal legislative changes.
- * 7. **Approval of Year-to-Date Financial Performance Report (July 1, 2024 – December 31, 2024):** The Committee reviewed for approval the Year-to-Date Financial Performance Report for July 1, 2024 to December 31, 2024. For the second quarter, budget adjustments were made to reflect revisions to projected revenues and expenditures. The report showed the actual revenues and expenses compared to the budgets and the overall status and expenditures of ongoing capital projects. As of December 31, 2024 operating revenues and expenditures are on track.

The Committee recommended the Year-to-Date Financial Performance Report to the full Board for approval.

- # 8. Update on Advancement:** University Advancement provided a mid-year report on activities and fundraising efforts including giving totals, campaign fundraising and engagement progress, and strategic work on a future roadmap.

- 9. University's Annual Financial Statements:** The Committee received an overview of the university's annual financial statements for the fiscal year ending June 30, 2024. The financial statements have been prepared in accordance with generally accepted accounting principles, and the Auditor of Public Accounts (APA) issued an unmodified (or clean) opinion with no material weaknesses.

The institution is in a solid financial position. The steady return on net position indicates sustainable growth, positioning the institution well for future investments and economic uncertainties. Total revenues for fiscal year 2024 were \$2.37 billion, an increase of \$169.3 million or 7.7 percent over fiscal year 2023. Total operating expenses for fiscal year 2024 were \$1.95 billion, an increase of \$143.5 million or 7.9 percent over fiscal year 2023.

- 10. Intercollegiate Athletics Programs Report for Year Ended June 30, 2024:** The Committee received a report on the Auditor of Public Accounts (APA) Intercollegiate Athletics Program Schedule of Revenues and Expenses review for fiscal year 2024. The APA has not identified any matters requiring adjustments to the Schedule at the time of the report. In addition to the Schedule, the agreed-upon procedures address internal controls, affiliated and outside organizations, and separate procedures for specific revenues and expenses.

Total revenues for fiscal year 2024 were \$140 million, an increase of \$10 million or 7.7 percent. Total expenses for fiscal year 2024 were \$133 million, an increase of \$16 million or 13.7 percent. Athletics-related long-term debt, leases and subscriptions at the end of fiscal year 2024 totaled \$89.7 million.

- 11. Discussion of Future Agenda Topics and Closing Remarks:** The Committee did not discuss future agenda topics in the interest of time, and the Committee chair offered closing remarks.

There being no further business, the meeting adjourned at 3:43 p.m.

Joint Open Session
March 25, 2025

Board members present: Janice Austin – Administrative and Professional Faculty Representative, Ed Baine (Rector), LaTawnya Burleson – Staff Representative, Dave Calhoun (Vice Rector), Sandy Davis, Nancy Dye, William Holtzman (via Zoom)*, Donald Horsley, Anna James, Starlette Johnson, Letitia Long, Ryan McCarthy, Rachel Miles – Faculty Representative, Jim Miller, Leslie Orellana – Undergraduate Student Representative, J. Pearson, William Poland – Graduate and Professional Student Representative, John Rocovich, Jeanne Stosser

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- *#+ 1. Approval of the General Fund Capital Outlay Plan for 2026-2032:** The Committees reviewed for approval the 2026-2032 General Fund Capital Outlay Plan. The university prepares an updated Six-Year Capital Outlay Plan every two years as part of its normal planning and budgeting cycle. The Plan is a critical component of positioning the university for state support of major Educational and General projects and for advancing high priority projects that may be funded entirely with nongeneral fund resources. Traditionally, the state requires each institution to submit a capital plan in June of the year before a new biennium begins. The next state capital outlay plan will be for 2026-2032, and it will be

established in the 2025-26 budget development process. Based on that timetable, a plan from the university for 2026-2032 will be due to the state in June of 2025.

Preliminary work has been done to identify potential projects for inclusion in the 2026-2032 Capital Outlay Plan in anticipation of future guidance and instructions from the state. These projects are consistent with programmatic needs established for the planning period and with the strategic plan of the university, and they position the university with options to respond to guidance from the state.

Since the submission date for the new Plan may occur before the June 2025 Board of Visitors meeting, the university is requesting the review and approval of the list of potential projects for inclusion in the 2026-2032 Capital Outlay Plan for General Fund projects. The university will provide an update to the status of the 2026-2032 Plan, including the nongeneral fund portion of the Plan, at a future Board of Visitors meeting.

The Committees recommended the General Fund Capital Outlay Plan for 2026-2032 to the full Board for approval.

- * 2. **Approval of Resolution to Construct the New Business Building:** The Committees reviewed for approval a resolution to construct the New Business Building. This 92,300 gross square foot building will provide expanded, modern educational space sufficient to meet the demand for the Pamplin College of Business programs. The \$94 million total project cost will be funded with private gifts, nongeneral fund resources earmarked for the project, and debt that will be serviced by nongeneral fund revenues generated by the College.

The Committees recommended the Resolution to Construct the New Business Building to the full Board for approval.

- 3. **On-Campus Housing Update:** The Committees received an update on the university's on-campus housing. Executive Vice President and Provost Cyril Clarke emphasized its role in enrollment management and student success, outlining current occupancy allocations. Executive Vice President and Chief Operating Officer Amy Sebring described the on-campus housing inventory profile and provided context on renewal efforts and related strategies. The discussion reinforced the need for a strategic, data-driven approach to align on-campus housing with institutional goals and financial sustainability.

- * 4. **Approval of Resolution on the Student Life Village and Slusher Hall:** The Committees reviewed for approval a resolution on the Student Life Village and Slusher Hall. The Committees then considered a division of the question that separated the original resolution into two resolutions: one regarding plans for Slusher Hall, and another to discontinue planning for the Student Life Village.

The resolution regarding plans for Slusher Hall was not approved. Ms. Stosser recused herself from voting on the resolution.

The resolution to discontinue planning for the Student Life Village was recommended to the full Board for approval. Ms. Stosser recused herself from voting on the resolution.

5. **Motion for Joint Closed Session:** The Committees made a motion for Joint Closed Session.

Nancy Dye moved that the Finance and Resource Management and Buildings and Grounds Committees of the Virginia Tech Board of Visitors convene in Closed Session, pursuant to §2.2-3711, Code of Virginia, as amended, to consider the following:

- Discussion or consideration of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.
- Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

all pursuant to the following subpart of §2.2-3711(A)(3) and §2.2-3711(A)(5), Code of Virginia, as amended.

The Committees discussed a real estate development opportunity. No action was taken.

6. **Motion for Joint Open Session:** The Committees motioned to reconvene in Joint Open Session.

WHEREAS, the Finance and Resource Management Committee of the Board of Visitors of Virginia Polytechnic Institute and State University has

convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, §2.2-3711 of the Code of Virginia requires a certification by the Finance and Resource Management Committee that such closed meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED, that the Finance and Resource Management Committee of the Board of Visitors of Virginia Polytechnic Institute and State University hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia Law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Finance and Resource Management Committee.

There being no further business, the meeting adjourned at 12:23 p.m.

Update on Advancement

Charlie Phlegar, Senior Vice President for Advancement

June 3, 2025

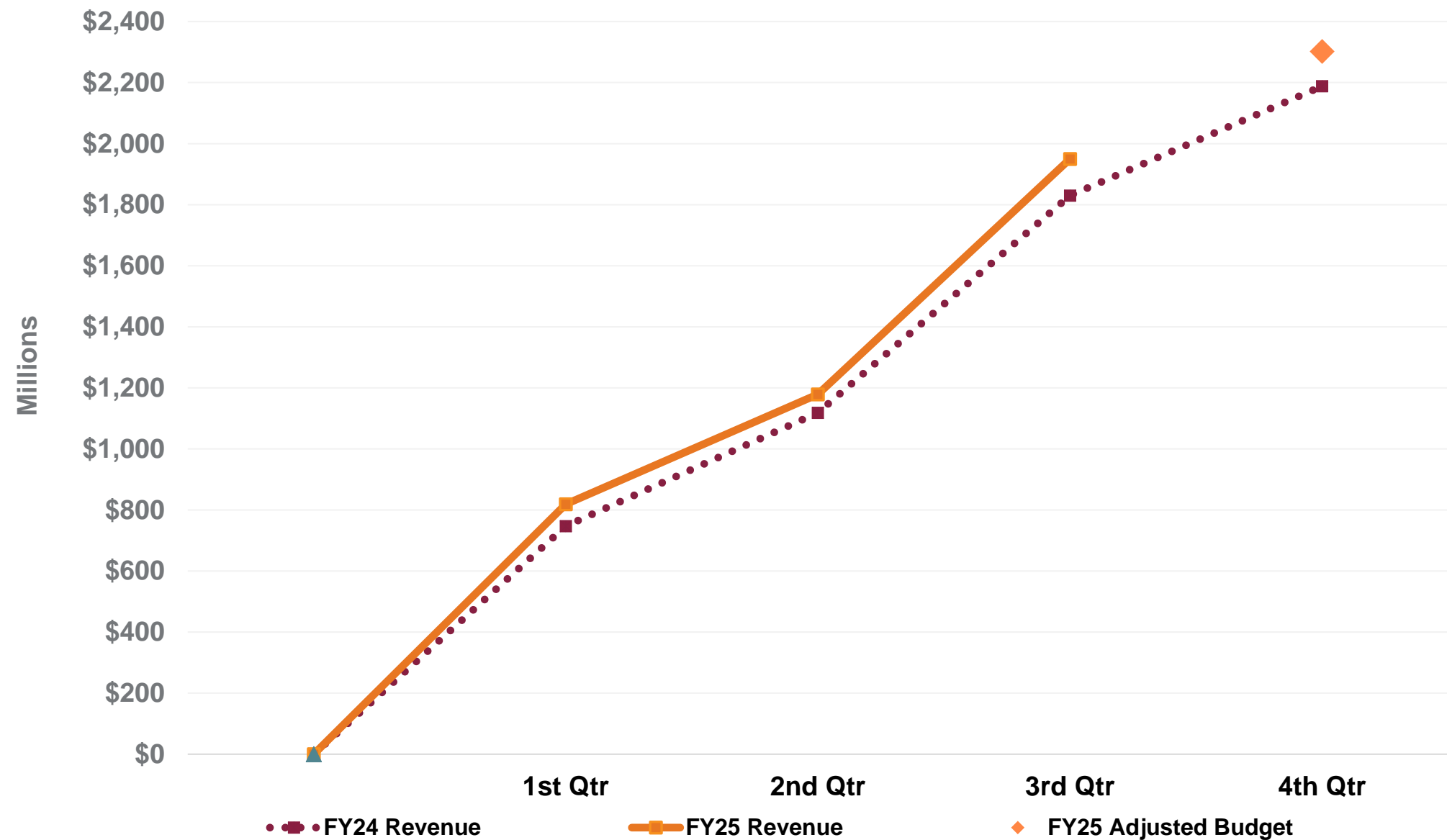
Financial Performance Report July 1, 2024 – March 31, 2025

Tim Hodge, Associate Vice President of Budget and Financial Planning

Rob Mann, Assistant Vice President for Capital Budgeting and Financing

June 3, 2025

Operating Revenues



Operating Sources & Uses | University Consolidated

Cash Basis - \$ in Thousands

	FY23 Q3	FY24 Q3	FY25 Quarter 3		Variance Analysis	
			FY25 Q3	FY25 Q3	Projected Budget v. Actual	
Sources	Actual	Actual	Projected Budget	Actuals	Dollars	Percentage
Tuition & E&G Fees (net)	\$ 680,732	\$ 711,160	\$ 739,214	\$ 741,350	\$ 2,136	0.3%
State Appropriations	261,417	271,557	317,721	317,606	(114)	0.0%
Federal (VCE/AES)	11,303	11,683	12,789	12,030	(759)	-5.9%
Sponsored Programs(Direct & Indirect)	303,736	370,998	386,707	398,606	11,899	3.1%
Auxiliary Enterprise Revenue & Fees	368,103	398,770	433,417	442,096	8,679	2.0%
Other	49,981	65,813	60,112	58,299	(1,814)	-3.0%
Total Operating Revenue	\$ 1,675,272	\$ 1,829,981	\$ 1,949,960	\$ 1,969,988	\$ 20,027	1.0%
Uses						
Personnel Costs						
Salaries (includes GAs & Wage)	743,537	817,374	\$ 893,789	\$ 866,996	\$ 26,793	3.0%
Fringe Benefits	217,999	236,518	261,301	253,631	7,671	2.9%
Financial Aid, Appropriated (a)	47,240	48,145	62,423	62,779	(356)	-0.6%
General Expense & Services (Operating)	305,007	333,148	368,056	372,195	(4,139)	-1.1%
Continuous Charges (utilities, leases, insurance)	101,821	120,447	133,068	137,388	(4,319)	-3.2%
Debt Service	15,795	27,916	30,841	32,138	(1,298)	-4.2%
Total Operating Expenses	\$ 1,431,399	\$ 1,583,548	\$ 1,749,478	\$ 1,725,127	\$ 24,352	1.4%
Net from Operations	\$ 243,872	\$ 246,433	\$ 200,482	\$ 244,861	\$ 44,379	22.1%

Footnote

(a) In the Commonwealth of Virginia, appropriated student financial aid is a subset of the entire student financial aid program.

Annual Budget Changes During the Quarter

Sponsored Programs

- \$15.0 million increase for higher than projected federal Grants and Contract activity.
 - Yet uncertainty remains about future Federal funding due to changing Federal priorities.

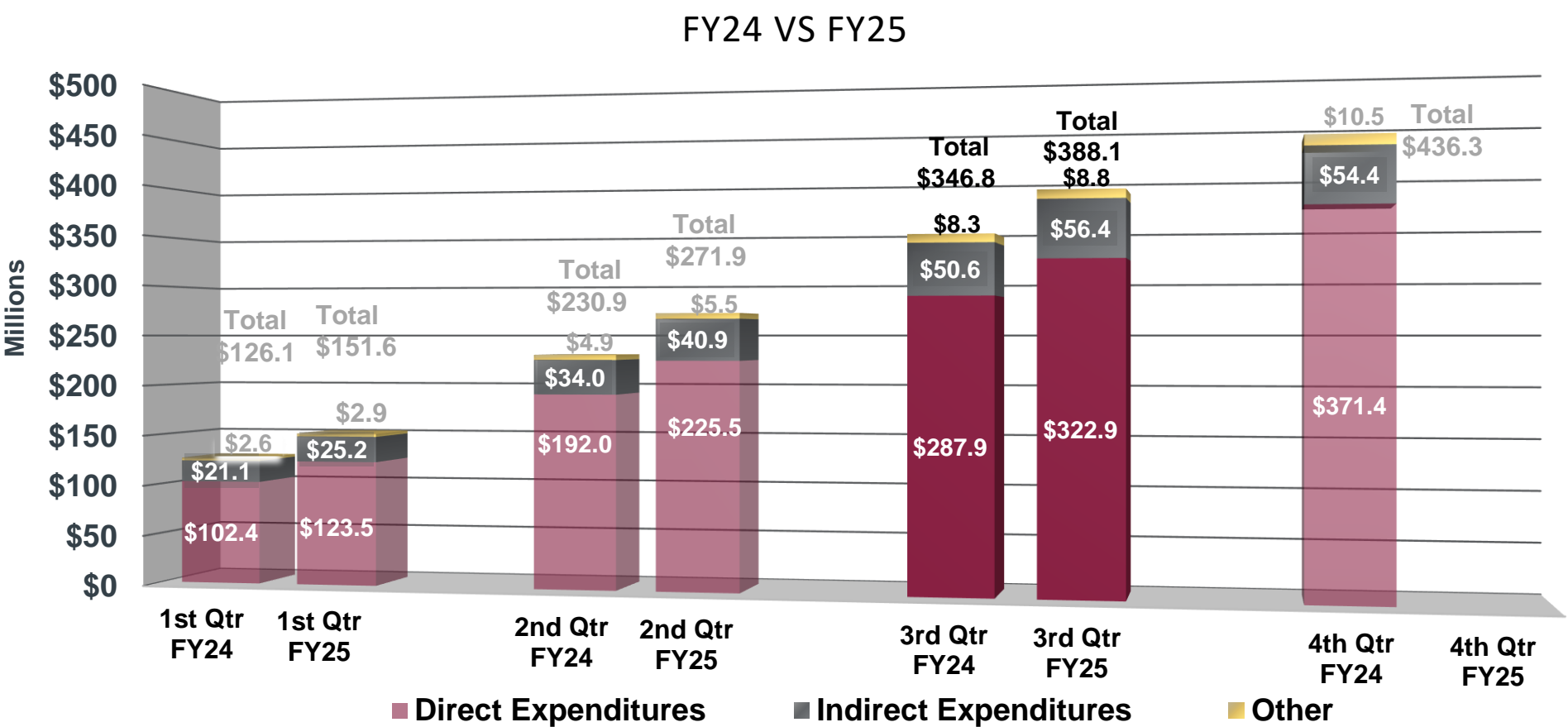
Student Financial Aid

- \$0.4 million increase for higher than projected general fund VMSDEP stipends.

Auxiliary Enterprises

- Residential: \$2.5 million increase for higher occupancy and one-time facility improvement projects
- Athletics: \$7.8 million revenue increase primarily associated with private support and \$10.5 million expense increase for sports operating, facility projects, contracts, and team travel





Sponsored Program Expenditures



There is considerable uncertainty over current and future Federal program and grant activities due to changing Federal priorities

Capital Program

Capital Outlay Total Program

	1 st Quarter Ended	2 nd Quarter Ended	3 rd Quarter	4 th Quarter
 <div>Design</div>	8	9	8	
 <div>Construction</div>	7	7	6	
 <div>Equipment</div>	2	2	2	
 <div>Closeout</div>	6	6	8	
Total Projects	23	24	24	
Total Budget (\$ in Thousands)	\$1,189,823	\$1,193,447	\$1,193,447	
Total Expenditures (\$ in Thousands)	\$665,311	\$697,223	\$734,178	

Timing for Construction Pricing



Cumulative design expenses through March 31, 2025- \$6,294,000

Projects Coming Online



Cumulative construction expenses through March 31, 2025 - \$94,908,000

Approval of Year-to-Date Financial Performance Report

July 1, 2024 – March 31, 2025

RECOMMENDATION

That the report of income and expenditures for the University Division and the Cooperative Extension/Agricultural Experiment Station Division for the period of July 1, 2024 through March 31, 2025 and the Capital Outlay report be approved.

June 3, 2025

Approval of 2025-26 University Operating and Capital Budgets

Simon Allen

Vice President for Finance & Chief Financial Officer

Tim Hodge

Associate Vice President for Budget & Financial Planning

Rob Mann

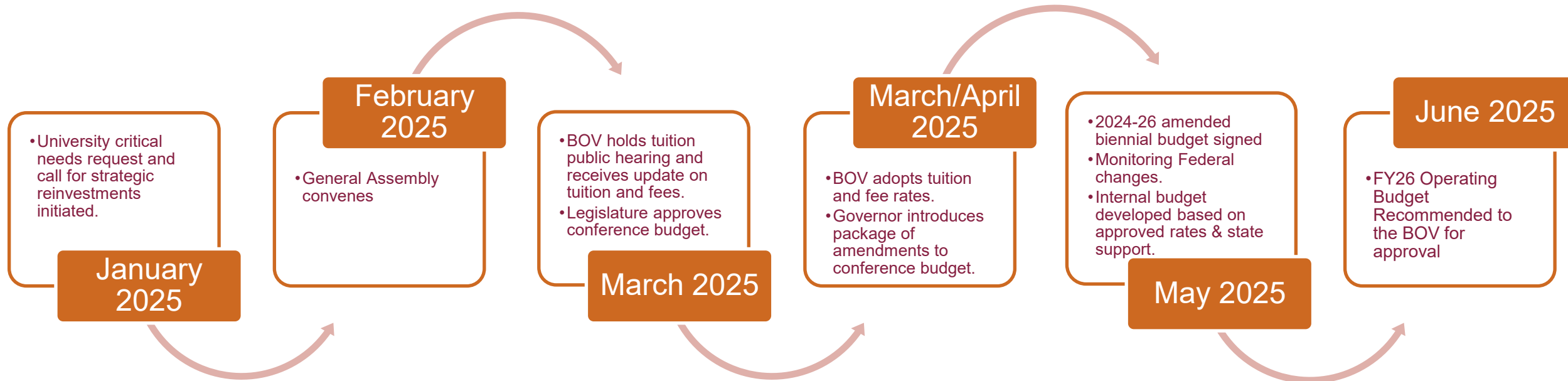
Assistant Vice President Capital Budgeting and Financing

June 3, 2025



Annual Budget Development Process

FY 26 Operating Budget



FY 26 Capital Budget

- The capital plan reflects the fiscal year cash flows of previously authorized capital projects

State Budget Update

2025 General Assembly actions focus on one-time **FY25** general fund support

	FY25 One-Time Support	
VT Patient Research Center	\$20.5M	Earmarked
VMSDEP	\$1.2M	Earmarked
Undergraduate Need-Based Resident Student Financial Aid	\$1.3M	Earmarked
School of Medicine Expansion	\$6.5M	Earmarked
Unique Military Activities	\$0.3M	Earmarked
Agency 229 Equipment	\$0.8M	Earmarked
June 2025 1.5% Bonus [est. for Agency 208 & 229]	\$4.9M*	Earmarked
Affordable Access	\$6.4M	Flexible

Earmarked support brings both new funding and new costs; some items may also require a NGF share

*State fund split for the bonus results in NGF cost assignment of \$6.1M in 208 E&G & \$198K in Agency 229.

State Bonus by Major Program

\$ in Millions

Timing did not allow for traditional planning of a nongeneral fund (NGF) share; thus, requires rebudgeting of existing resources.

	<u>208 E&G</u>	<u>229 E&G</u>	<u>Sponsored</u>	<u>Auxiliary</u>	<u>Total</u>
Cost of 1.5% Bonus (June 2025)	(\$9.9)	(\$1.3)	(\$3.0)	(\$1.9)	(\$16.1)
GF Share of Bonus	3.8	1.1			4.9
Nongeneral Fund Share	(6.1)	(0.2)	(3.0)	(1.9)	(11.2)
GF Affordable Accesss	6.4				6.4
One-time rebudgeting of funds	\$0.3	(\$0.2)	(\$3.0)	(\$1.9)	(\$4.8)

FY26 general fund support focused in key areas

- 3.0% compensation program

State Fund Splits

Program	State Share (GF)	University Share (NGF)
University Division E&G	38%	62%
Cooperative Extension/Agricultural Experiment Station Division E&G	95%	5%
Sponsored Research	0%	100%
Auxiliary Enterprise	0%	100%

- VMSDEP Support:
 - \$5.4M base support (*same as shared with BOV at March meeting*)
 - \$2.4M estimate one-time for VT Share (*contingent on FY25 state revenues*)
- Tech Talent Pipeline - award methodology to be reviewed for FY26.

Operating Budget

FY26 budget assumptions and risk

- The proposed budget was developed based on the best information currently available.
- The university faces multiple risks in FY26, including uncertainty about federal support, graduate & international enrollment, and the state economy.
- Senior leaders continue to work through funding scenarios to understand how best maintain core services if key funding streams are disrupted.
- Moving forward the university will continue to monitor potential risks and keep the Board informed through the quarterly financial performance reports and adjust the budget as needed.

FY26 Operating Budget

All Programs

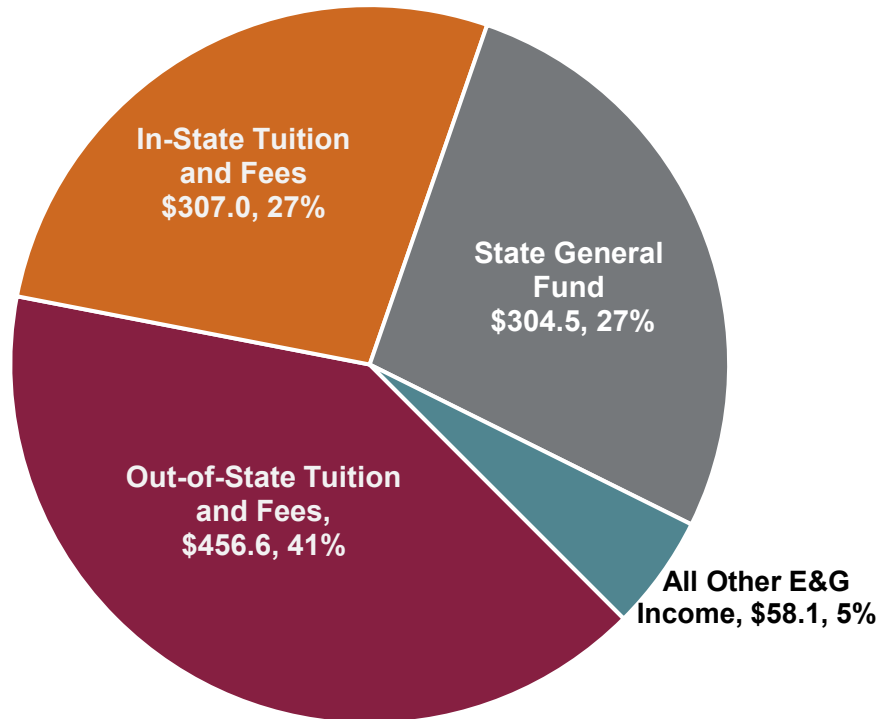
\$ in Millions

	FY25 Adjusted Budget	FY26 Proposed Budget	Change	
			\$	%
<u>Educational and General Program</u>				
University Division	\$1,090.2	\$1,126.2	\$36.0	3.3%
Coop Ext/Ag Experiment Station Division	112.2	113.0	0.8	0.7%
Auxiliary Enterprises	491.7	522.2	30.5	6.2%
Sponsored Programs	483.8	479.1	(4.7)	-1.0%
Appropriated Student Financial Assistance	65.2	67.6	2.4	3.7%
All Other Programs	18.0	18.5	0.5	2.9%
Public Operating Budget	\$2,261.1	\$2,326.6	\$65.5	2.9%
Private Funds (a) [Not New Funding]	41.3	150.0		
Total Operating Budget	\$2,302.4	\$2,476.6		

a) \$41.3M to be realigned from Sponsored Programs to new budget category of Private Funds in FY26. Beginning FY26, privately funded university expenditures will be accumulated and then reimbursed by the Virginia Tech Foundation in a batch process creating efficiencies for the campus, university and VTF as well as improved transparency. These expenditures were previously directly processed by the VT Foundation.

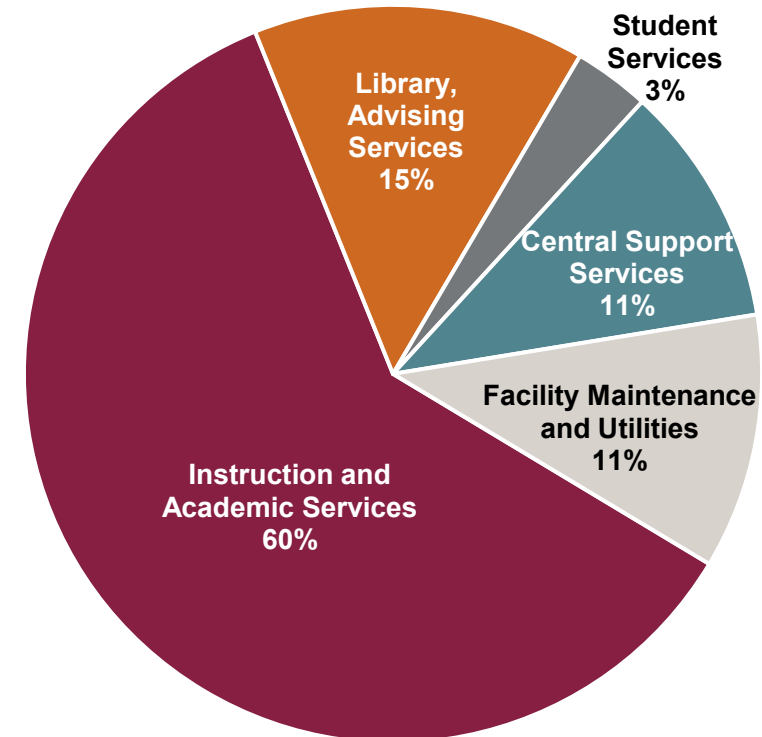
Nonresident tuition and E&G fees is the largest source of E&G revenue

FY26 E&G Revenue by Major Source
University Division



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

E&G Expenditures by Function

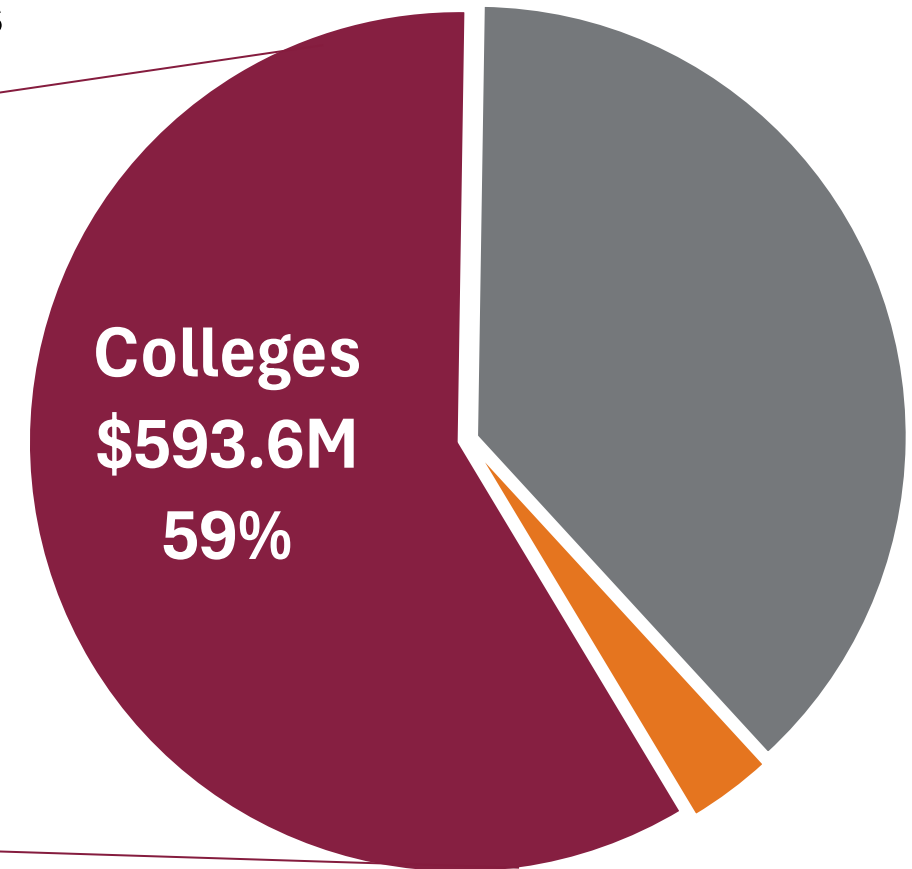


While nonresident students make up only 40% of the student body, nonresidents provide 60% of the tuition revenue.

Colleges Comprise 59% of University Division E&G Expenditures

FY24 University Division
College Expenditures
Dollars in Millions

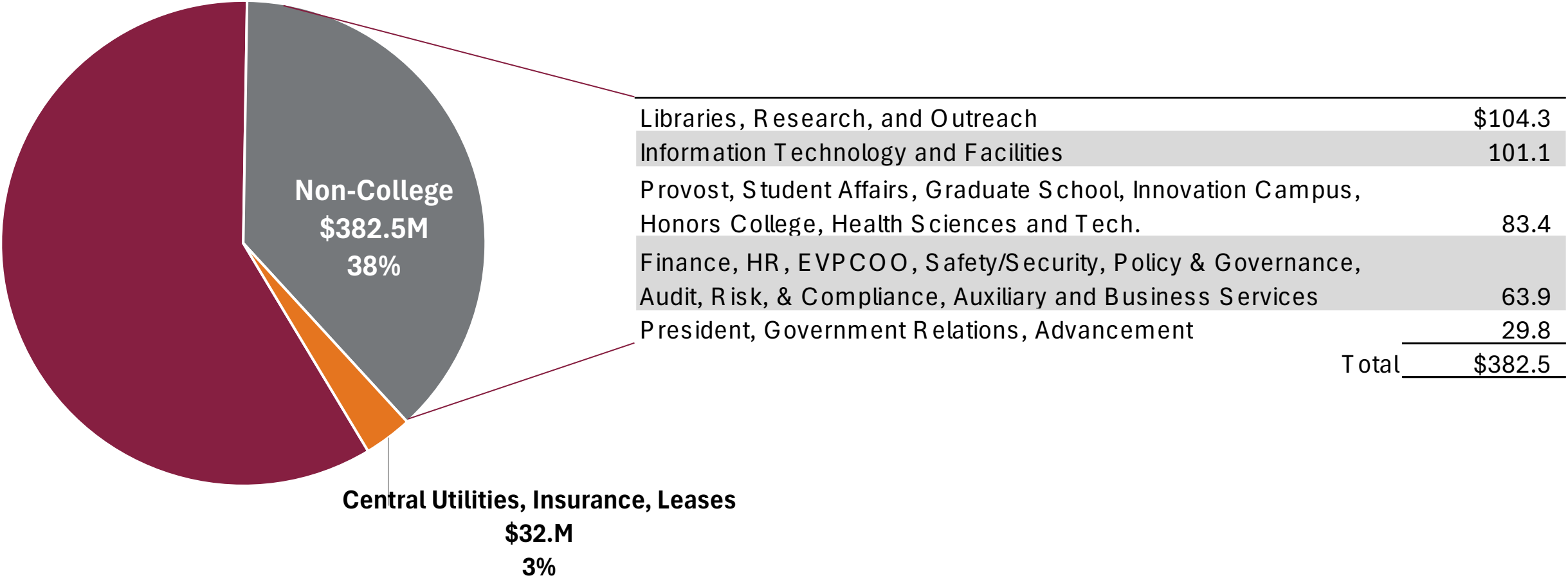
Colleges	Expenditures
Engineering	\$159.5
Science	105.3
Liberal Arts & Human Studies	83.7
Business	67.0
Veterinary Medicine	52.7
Vet Medicine - Hospitals	17.1
Agriculture & Life Sciences	40.7
Architecture, Arts, & Design	31.6
School of Medicine	19.5
Natural Resources & Environment	16.5
Total	\$ 593.6



University Division E&G

FY24 Non-College Expenditures by Area

Dollars in Millions



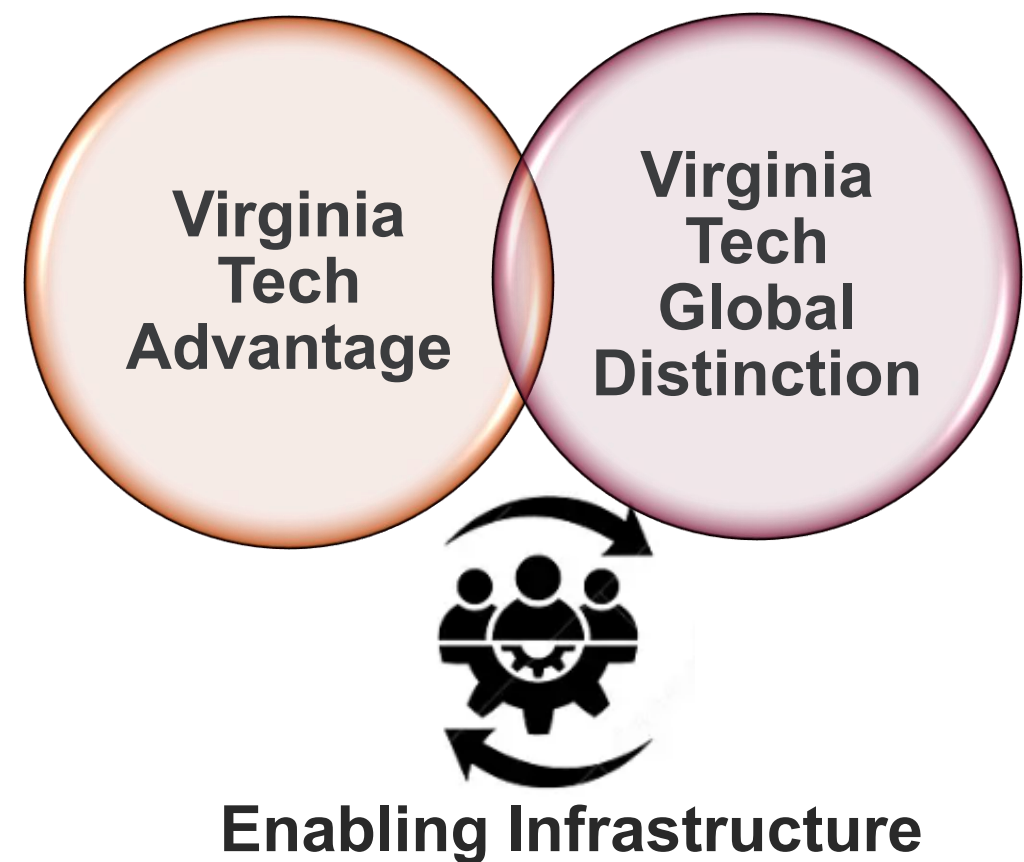
University Division’s E&G budget increases 3.3%

Dollars in Millions

	FY25 Adjusted Budget	FY26 Proposed Budget	Change	
			\$	%
<u>University Division (E&G)</u>				
General Fund	\$294.1	\$304.5	\$10.4	3.5%
Tuition and Fees	733.6	763.6	30.0	4.1%
All Other Income	62.5	58.1	(4.4)	-7.0%
Subtotal	\$1,090.2	\$1,126.2	\$36.0	3.3%

Increase in Tuition and E&G Fee revenues reflects the BOV approved 2.9% tuition increase as well as strength in enrollment, continuation rates, and mix.

Strategic investments are supported by multiple funding sources



RESOURCES
 Net Enrollment,
 Unrestricted State,
 Self-Generated
 (Professional Masters)

**DEI
 RESOLUTION
 SAVINGS**

PHILANTHROPY

REINVESTMENTS

FY26 Reinvestment Process



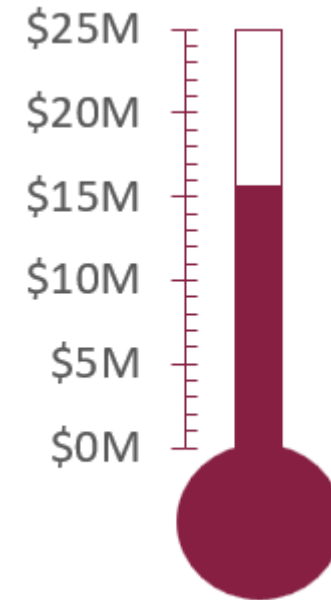
FY26 BUDGET PROCESS

Reinvestments will support strategic needs



RESULT

FY26 includes \$10.7M in reinvestment and DEI resolution savings to fund strategic priorities



REINVESTMENT GOAL

\$25M over 5 years
FY26 is year 2

Year 2 (FY26) \$5M target accelerated to \$10.7M with DEI resolution savings

- \$9.2M reduce or eliminate activities
 - Capture salary savings through targeted reorganizations, turnover, and vacancies
 - Cancel subscriptions
 - Sunset equipment programs
 - Redirect funds from low performing activities
- \$1.5M business process changes
 - Reallocate revenue capture
 - Revenue enhancement (align costs with self-generated NGF funding)

**DEI
RESOLUTION
SAVINGS**

REINVESTMENTS

Resource Alignment

\$6.4M in DEI Resolution Savings Reinvested (\$ in millions)

Guiding Principles:

- Resources (operating and salary) supporting permissible programs will remain intact and aligned with organizational unit performing the work.
- Resources previously allocated to a program that has ceased will be returned as part of the university's strategic reallocation initiative.

	Base Funding	One-Time Funding	Strategic Priority
Offset 2.9% tuition increase for incoming VT Advantage students	\$0.8		VT Advantage
Accelerate FY26 planned increase in VT Advantage	1.2		VT Advantage
Increase graduate stipends above mandated 3%	0.3		Global Distinction
Allocate bridge funding for graduate students		\$0.9	Global Distinction
Provide targeted investments in research institutes	1.4		Global Distinction
Support initiatives to increase sponsored research and scholarship	0.3		Global Distinction
Invest in Roanoke-based Health & Biomedical Programs	0.6		Global Distinction
Fund research administrative systems, incl. COC/COI	0.9		Global Distinction
Total	\$5.5M	\$0.9M	\$6.4M

* \$2.0M in increases for VT Advantage are in addition to \$3.4M in incremental funded included through the budget process. Total incremental funding for VT Advantage in FY26 will be \$5.4M.

91% of incremental E&G funding directed to compensation and unavoidable costs

Dollars in Millions

	<u>E&G</u>
University Division Budget Change (from Slide 13)	\$ 36.0
<u>MANDATORY, STATE & UNAVOIDABLE COSTS</u>	
Compensation & Benefits	\$ 27.9
Fixed Costs & Operations & Maintenance	<u>4.8</u>
Subtotal Mandatory, State, & Unavoidable Costs	32.7
University Reinvestments and DEI Resolution Savings	(10.7)
Enrollment, CE Reduction & Other Changes	<u>(4.8)</u>
Capacity for University Initiatives (toward \$27.2M vision)	<u><u>18.8</u></u>

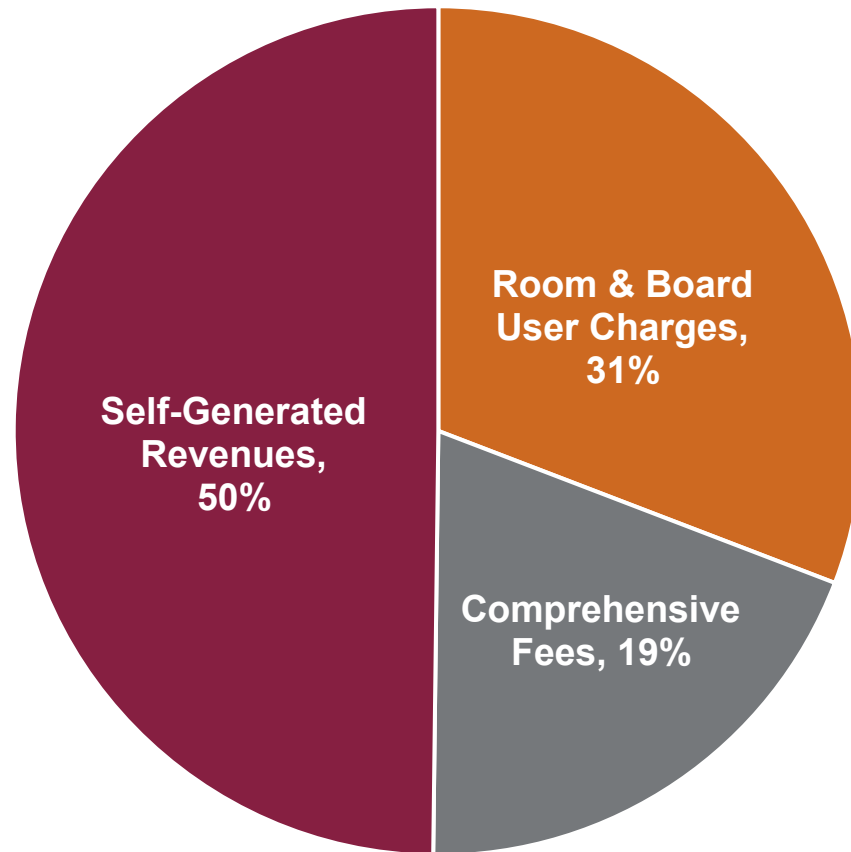
Advancing Global Distinction and Virginia Tech Advantage

	FY26 Aspiration	FY26 Investment including both Reinvestments & DEI Resolution Savings
Virginia Tech Global Distinction	\$13.1	\$8.3
Virginia Tech Advantage (Institution)	3.6	6.2
Enabling Infrastructure *	10.5	4.3
Total	\$27.2	\$18.8

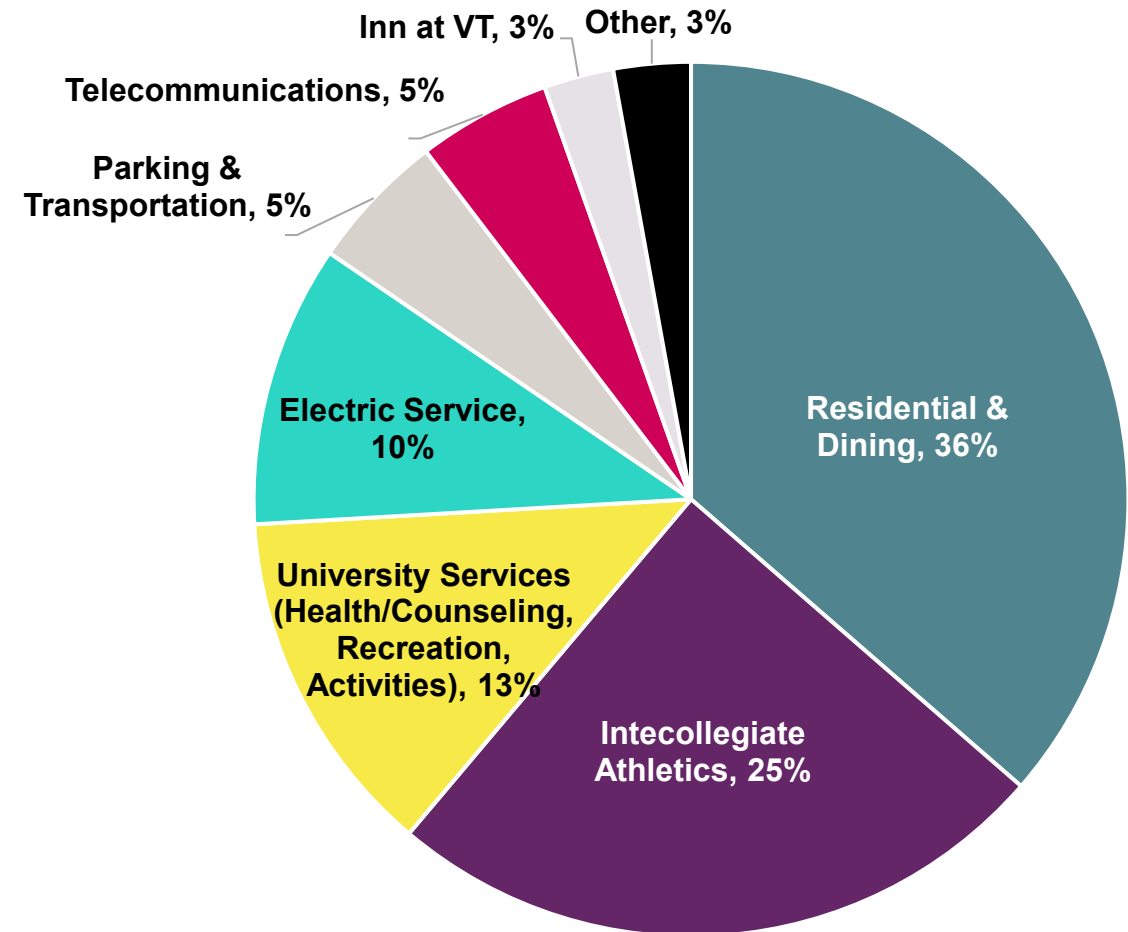
* Includes \$3.1M of support for technology/systems

FY26 Auxiliary Enterprise Budget

Sources



Uses



FY26 Total Revenue = \$ 522M +6.2%

Self-generated revenues include: athletic ticket sales, athletic conference income, hotel & conference center sales, electric service revenues, parking permit sales, transportation fleet sales, telecommunication sales, summer conference activities, etc.

FY26 Auxiliary Budget Focuses on Employees and Key Program Enhancements

6.2% total budget growth, includes 3.0% state compensation program, fringe costs, inflation, and investments in:

- Intercollegiate Athletics operating support
- Staffing and support for health and counseling, residential well-being, and student conduct
- Rescue Squad facility planning and pharmacy staffing
- Residence hall painting and furniture replacement
- Dining allergen-free concept and equipment replacement



Other FY26 Budget Changes

Cooperative Extension/Agricultural Experiment Station Division

- Commonwealth's 3% compensation program
- (less) one-time federal carryforward funds recognized in FY25

Sponsored Programs

- Given uncertainty, held budget level until there is more clarity
- (less) removal of one-time state support in FY25

Appropriated Student Financial Aid

- Reflects part of the FY26 investment in the Virginia Tech Advantage program

	FY25 Adjusted Budget	FY26 Proposed Budget	Change	
			\$	%
<u>Educational and General Program</u>				
University Division	\$1,090.2	\$1,126.2	\$36.0	3.3%
Coop Ext/Ag Experiment Station Division	112.2	113.0	0.8	0.7%
Auxiliary Enterprises	491.7	522.2	30.5	6.2%
Sponsored Programs	483.8	479.1	(4.7)	-1.0%
Appropriated Student Financial Assistance	65.2	67.6	2.4	3.7%
All Other Programs	18.0	18.5	0.5	2.9%
Public Operating Budget	\$2,261.1	\$2,326.6	\$65.5	2.9%
Private Funds (a) [Not New Funding]	41.3	150.0		
Total Operating Budget	\$2,302.4	\$2,476.6		

FY26 Operating Budget

All Programs

\$ in Millions

	FY25	FY26	Change	
	Adjusted	Proposed		
	Budget	Budget	\$	%
<u>Educational and General Program</u>				
University Division	\$1,090.2	\$1,126.2	\$36.0	3.3%
Coop Ext/Ag Experiment Station Division	112.2	113.0	0.8	0.7%
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Capital Budget

General Assembly Update

2025 Session – Capital Outlay Budget

- State lawmakers approved an amended budget for the 2024-26 biennium during the 2025 Session, which was signed by Governor Youngkin May 2nd.
- Highlights of FY26 Capital Outlay Budget impacts:
 - Maintenance Reserve Funding remains at \$43.4M for the biennium
 - Replace Randolph Hall Supplement: \$66.8M
- Vetoed by the Governor:
 - VTCSOM and FBRI project was within the State Capital Construction Pool that was vetoed on May 2nd: \$165M


Fiscal Year 2026 Capital Projects

End FY25	24
Projects closed June 30 th	- 5
New projects effective July 1 st	0
Start FY26	<hr/> 19

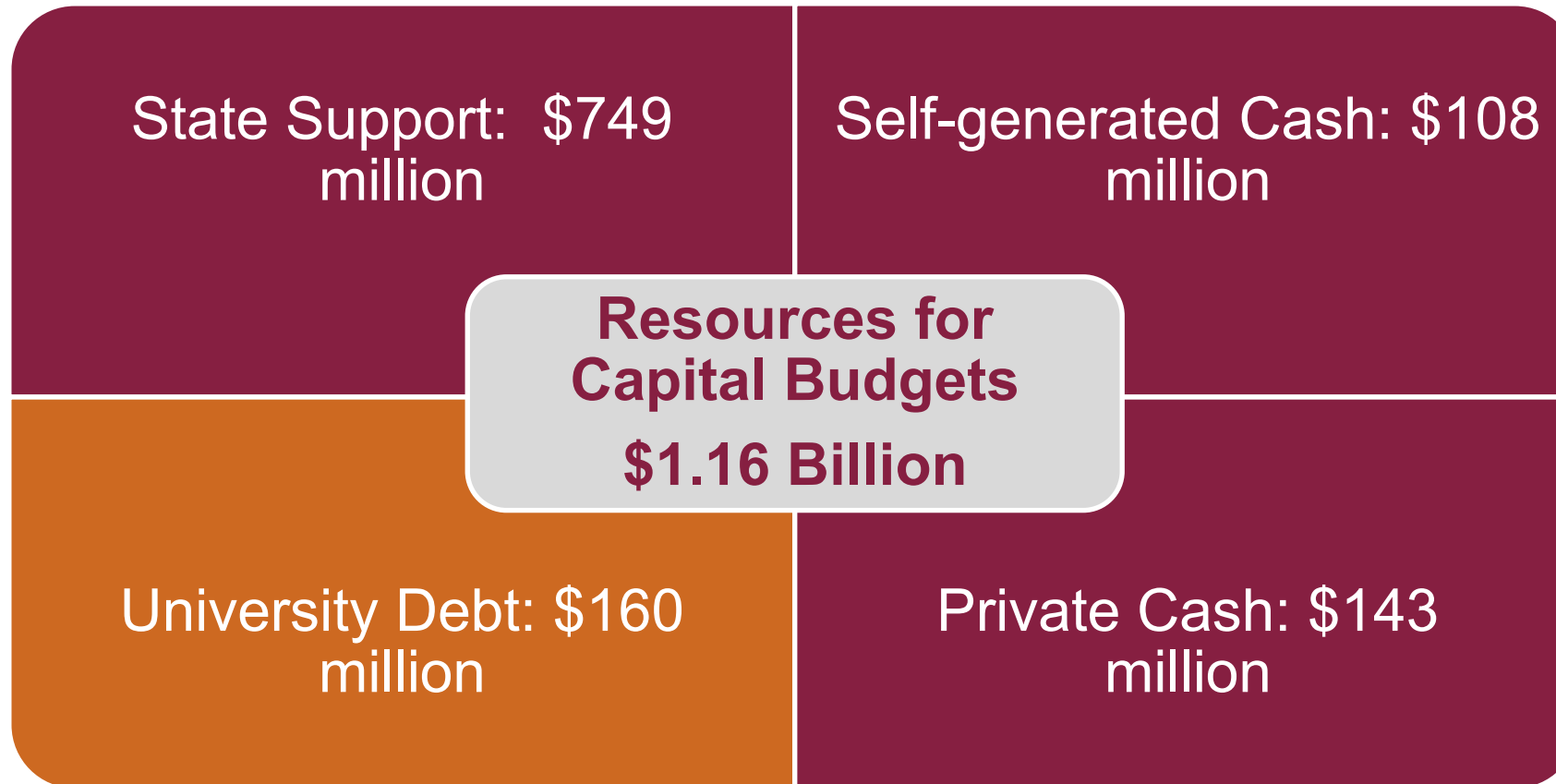

Design
7


Construction
7


Equipment
1


Closeout
4

Capital Authorization Fund Sources



Major Budget Adjustments

\$ in Thousands

Budget at Close of FY25	\$ 1,193,447
Reductions for FY25 Project Closeouts	
Hitt Hall	(85,000)
Corps Leadership and Military Science Building	(52,000)
New Upper Quad Residence Hall	(42,000)
Planning: Student Life Village, Phase I	(19,500)
Fralin Biomedical Research Institute Equipment	(18,133)
Maintenance Reserve Close FY, Aux	(14,500)
Budget Increases for FY26	
Construction for New Business Building	86,000
Supplement for Mitchell Hall	66,800
Maintenance Reserve, E&G	24,156
Maintenance Reserve, Aux	14,500
Allocation for Equipment for Workforce Development	6,288
<i>Net Change</i>	<u>(33,389)</u>
Budget at Start of FY26	\$ 1,160,058

Fiscal Year 2026 Capital Spend

\$ in Thousands

<i>FY26 starting total multi-year capital budget</i>	<i>\$1,160,000</i>
<i>Less project to-date expenditures as of June 30th</i>	<i><u>-\$575,000</u></i>
<i>Budget available to complete projects</i>	<i>\$585,000</i>
 <i>Estimated capital expenditures for FY26</i>	 <i><u>\$147,000</u></i>

Approval of 2025-26 University Operating and Capital Budgets

Recommendation:

That the proposed 2025-26 Operating budget and Capital expenditure projections as displayed on Schedules 1, 2, and 3 be approved.

June 3, 2025

Update on the Development of the 2026-2032 Six-Year Plan

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

May 8, 2025

The university received instructions for developing the 2026-2032 Six-Year Plan on May 5, 2025 from the State Council of Higher Education in Virginia (SCHEV). This report provides an early update on this process and key assumptions underlying the development of the plan.

Process

The Higher Education Opportunity Act of 2011 codified a set of goals and objectives for higher education in Virginia, and outlined an annual planning process. This process requires submission of academic, financial, and enrollment plans for the next three biennia, with particular focus on the first biennium of the planning period. Plans are submitted each odd-year, with an opportunity to revise in each even-year. The Six-Year plan process facilitates a discussion with the commonwealth about the university's planned progress towards the goals of the state's Virginia Plan for Higher Education and how the university can partner with the state to advance shared outcomes, and is an important step in positioning the university to seek state support during the Executive Budget development process each fall.

The State Council on Higher Education for Virginia (SCHEV) will review the plan with the state's review committee (Op-Six), which includes the Secretaries of Education and Finance, Directors of SCHEV, and the Department of Planning & Budget (DPB), and representatives from the House Appropriations Committee and the Senate Finance and Appropriations Committee. The Op-Six will provide feedback and questions to the university in the fall and the university will have the opportunity to respond before returning to the Board for final approval in November.

Planning Assumptions

Academic and Support Service Strategies

The Six-Year Plan focuses on the institutional priorities of the upcoming biennium (fiscal years 2027 and 2028). The primary goals of the Six-Year Plan are to:

- a) Summarize major strategies that impact academic, student support, research, and operations areas;
- b) Update projections on financial resources needed to support these initiatives in the first biennium, including the projection of tuition rates and student financial assistance; and
- c) Update enrollment projections to assist the SCHEV in its planning and reporting responsibilities.

As part of the development of the original Six-Year Plan, the university categorized a list of potential strategies which are aligned with the university's strategic plan. These strategies are designed to advance the mutual goals of the commonwealth and Virginia Tech.

Funding Assumptions

The commonwealth's instructions for the Six-Year Plan indicate an assumption of limited General Fund support to fund the state's share of compensation and benefits cost escalations. The remainder of the Six-Year Plan is to be balanced with tuition and fee revenue. Opportunities for the state to provide new General Fund support are requested separately, and SCHEV's instructions explicitly state that no new General Fund support should be assumed. This process is designed to focus on goals, costs, and nongeneral fund resources so that General Fund support may be determined later through the state budget process. This allows state officials to consider how to reduce tuition rates or enhance programs during the state budget process.

Cost Containment (Reinvestments) and Cost Savings

To ensure continued sensitivity to overall cost, the university projects the continuation of the strategic reinvestments program to help advance top priorities while mitigating the pressure on tuition. The plan calls for \$5 million of savings a year for a total of \$25 million of base savings over a five-year period. These savings help hold down student costs and strengthen the university's accomplishment of strategic objectives. These savings will be enhanced with more recently identified compliance cost savings.

Tuition and E&G Fee Revenue

A key part of the Six-Year Plan submission is a discussion with the commonwealth regarding resources for the university's instructional division. Many of the initiatives envisioned in the plan will require both state General Fund support and nongeneral fund revenue to be fully realized. Consistent with the instructions issued by SCHEV, the university's plan separates the progress possible through nongeneral fund support alone and the additional potential if the state were to partner with the university to fully realize these strategies.

It is important to recognize that the university is not recommending nor committing to a specific set of tuition rates through the Six-Year Plan submission. Establishment of tuition and fee rates remains under the purview of the Board of Visitors, and will be informed through an annual discussion of needs and the state budget process (which has not yet begun). However, the state's planning process and template require a projection of changes to tuition and fees assuming state support only for the General Fund share of salary and fringe benefit rate changes.

Estimated tuition and fee rates and revenue are outlined as part of the iterative planning process established by the Higher Education Opportunity Act of 2011, and are expected to provide a basis for discussion of potential investments, costs and fund split between institutions and the state. The Six-Year Plan solicits the university's estimate of reasonable and necessary charges to students based on the mission, market capacity, and other factors with the assumption of no new state General Fund support beyond that for the state share of salary and fringe benefit rate changes. This estimate provides the opportunity for the university to partner with the commonwealth to develop strategies to reduce in-state tuition increases via incremental General Fund support. Nonresident rates are market-based. While increases in tuition and mandatory fees for fiscal year 2027 have not yet been set by the Board of Visitors, the university calculated the following placeholder for the state's six-year planning purposes to balance the plan in accordance with the instructions. The actual level of state support, inflationary increases, and mandatory cost drivers such as state employee compensation and benefits will be considered when proposing actual tuition recommendations for fiscal year 2027.

FY27 Placeholder	Resident	Nonresident
Assumption of No New General Fund	4.9%	3.9%

General Fund

The state process allows for General Fund requests. The university considers the linkages between the university's strategic plan and the state plan for higher education. The following list summarizes the currently envisioned General Fund requests.

University Strategic Objectives	General Fund Requests	State Plan for Higher Education
<i>Global Distinction</i>	<p>Mitigate the impact of reduced federal research funding to continue to advance strategic research.</p> <p>Increase affordable access to medical education at VTCSOM to facilitate training of graduates in Virginia residency programs and improve retention in Virginia practices.</p> <p>Provide ongoing support for the Virginia Tech Patient Research Center to advance biomedical research within the commonwealth.</p>	Transformative

<i>Virginia Tech Advantage</i>	<p>Lower the need for a tuition increase for Virginia residents by providing the state share of escalating costs.</p> <p>Increase need-based student financial aid support for Virginia undergraduates (Virginia Tech Advantage)</p> <p>Increase state support for the Virginia Military Survivors and Dependents Education Program.</p>	Affordable, Transformative
<i>Enabling Infrastructure</i>	<p>Support the replacement of the university's Enterprise Resource Planning (ERP) System.</p> <p>Support the General Fund share of the operation and maintenance of new facilities.</p> <p>Enhance programmatic support for the Corps of Cadets.</p>	Transformative

Timeline and Next Steps

The university will submit the Six-Year Plan to the commonwealth on July 3, 2025, the beginning of an iterative review process that will culminate with feedback from the commonwealth by September 1 and a university response by October 1. The Six-Year Plan will be presented for approval at the November 2025 Board of Visitors meeting.

The Six-Year Plan will also serve as the basis of the university's budget submissions for the Executive Budget development process in the fall of 2025.

Update on the Development of the 2026-32 Six-Year Plan

Simon Allen, Vice President for Finance &
Chief Financial Officer

Tim Hodge, Associate Vice President for
Budget & Financial Planning

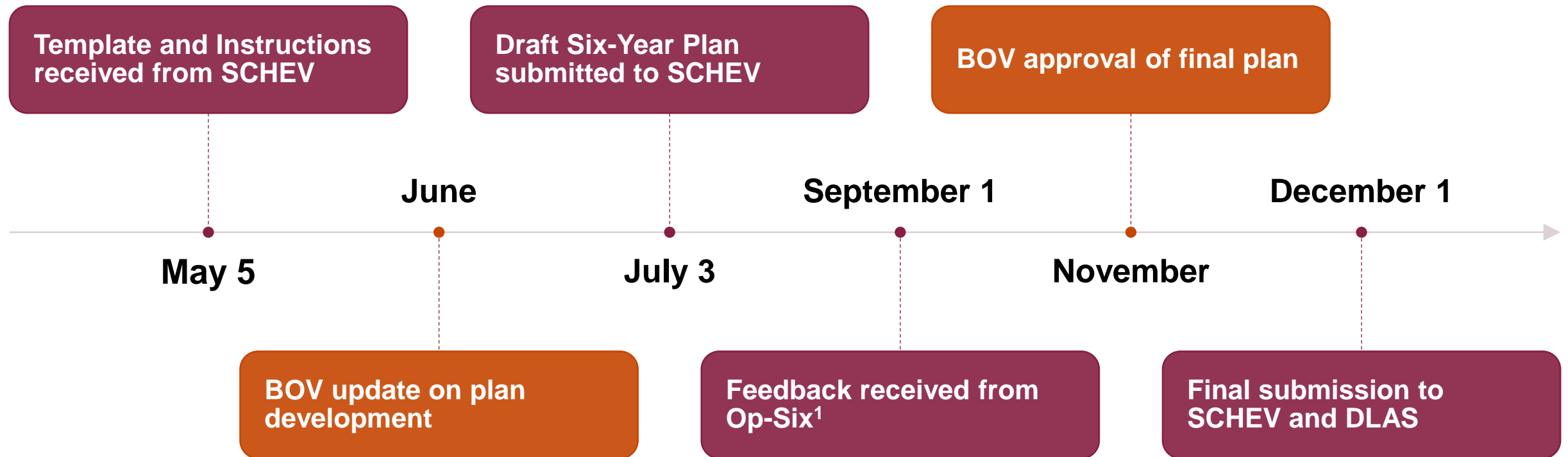
June 3, 2025



Overview of Six-Year Plan

- Component of the Higher Education Opportunity Act of 2011.
- Submitted each odd-year; opportunity to revise each even-year.
- Includes academic, financial, and enrollment plans for the next three biennia.
- Completed in coordination with the commonwealth to frame planning considerations over the next six years.
- Outlines the university's planned progress towards shared goals supporting the state's Virginia Plan for Higher Education.
- Positions the university to seek state support during the Executive Budget development process each fall.

Six-Year Plan Process



¹ Op-Six members include: the Secretary of Education, Secretary of Finance, Director of Department of Planning and Budget, Executive Director of SCHEV, Staff Directors of the House Appropriations Committee and Senate Finance and Appropriations Committee.

Cost Escalation Estimates Drive Need for Tuition Placeholder



- Instructions received on May 5th outlined:
 - Limited General Fund support is to be included in plan to support the state’s share of compensation and fringe benefits escalations. Assume no additional General Fund.
 - Nongeneral Fund resources (Tuition) are expected to fund the remainder of the plan.
- General Fund requests are separate and may help support university initiatives and lower the need for a tuition rate increase.
- Plan represents the start of a discussion with the commonwealth on opportunities for partnership, and is not a decision about tuition rates (that will occur at the Spring BOV meeting).
- To balance the plan (a requirement), the 6-year planning process begins with tuition placeholders:
 - Resident: 4.9%, Nonresident: 3.9%

	<i>\$ in millions</i>
	FY27
<u>Forecast Expenses</u>	
Compensation [2.0% State Plan Placeholder]	(\$15.0)
Healthcare Premiums [Employee - 1%; and Assistantships ~ 5%]	(1.2)
Utilities, Leases, Insurance, Inflation, & Unavoidable Mandatory Costs	(4.4)
Supplant Portion of Strategic Federal Research Funding	(12.8)
Total	(\$33.4)
<u>Sources</u>	
General Fund: State Share of Salary and Fringe Rate Changes	\$5.8
General Fund: [Process assumes no new operating support]	0.0
Tuition Placeholder [4.9% Resident/3.9% Nonresident]	27.6
Net	\$0.0

Each \$2.8M of state General Fund would reduce Resident tuition by 1%

General Fund Requests for Six-Year Plan

University Strategic Objectives	General Fund Requests	State Plan for Higher Education
<i>Global Distinction</i>	<p>Mitigate the impact of reduced federal research funding to continue to advance strategic research.</p> <p>Increase affordable access to medical education at VTCSOM to facilitate training of graduates in Virginia residency programs and improve retention in Virginia practices.</p> <p>Provide ongoing support for the Virginia Tech Patient Research Center to advance biomedical research within the commonwealth.</p>	Transformative
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Next Steps

- Continue development of plan
- July 3 – initial submission to state
- September 1 – feedback from state
- October – submission of feedback responses
- November – BOV review and approval of plan
- December 1 – final submission to state



Discussion of Enrollment Demand

Dr. Juan Espinoza, Vice Provost for Enrollment Management

Data Collection

- Survey conducted with consultant
- Strong response from inquiry pool
- Mix of both students and parents

Survey Response Statistics:

Target Population:	Students	Parents
Total Completes*	378	234
Survey in field:	April 9 to April 10, 2025	
Conjoint Margins of Error:	<3% Total population	

Key Findings

- Our brand is very strong.
- In terms of market preference for institutions, Duke (19%), University of Virginia (14%), Georgia Tech (14%), Virginia Tech (13%) were the top institutions.
- Virginia Tech's brand position was strongest among the in-state respondents.

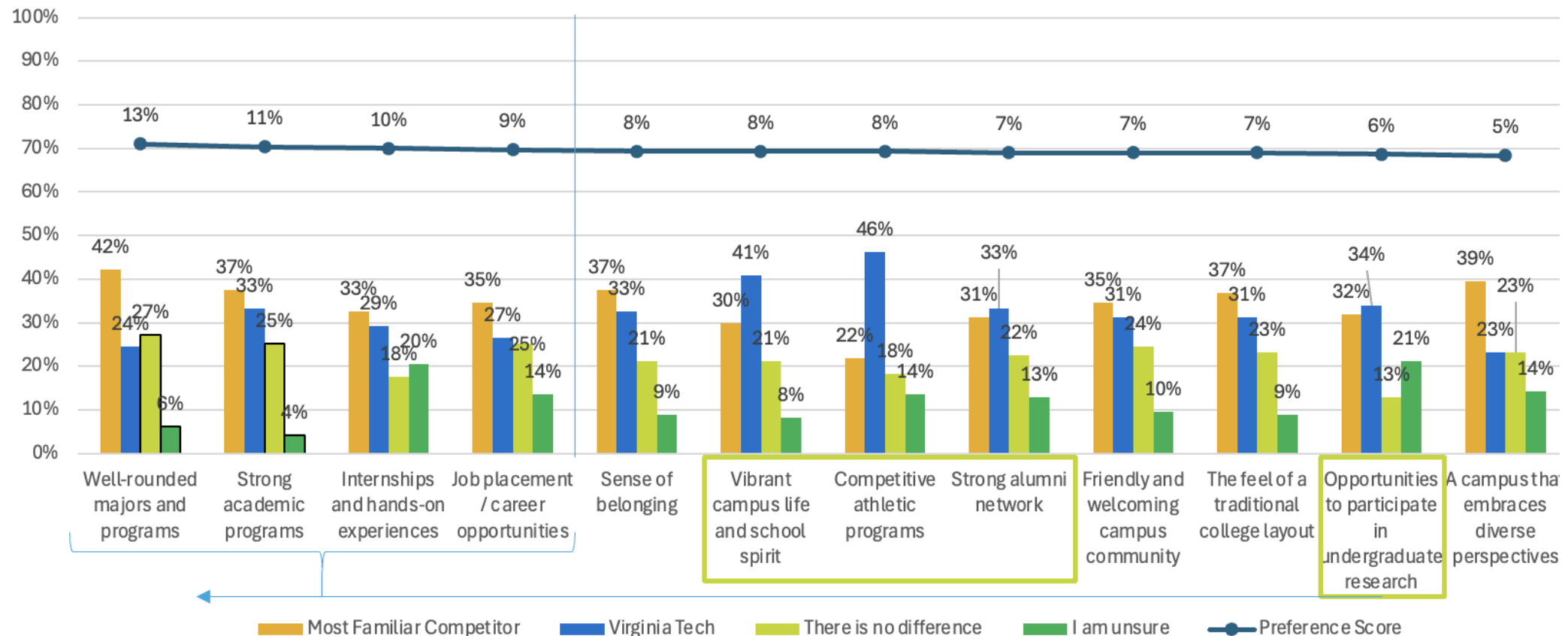
Key Findings

- The responses to the price survey show that VT is in a relatively unique position in the market with generally lower tuition and aid sensitivities, but a greater sensitivity to tuition change than aid change.
- Our price and aid are well optimized to market preferences.
- Key quality attributes identified by students include vibrant campus life/school spirit, athletics, strong alumni network, and opportunities to participate in undergraduate research projects.
- More flexibility in pricing for in-state students; less flexibility in pricing for out-of-state students

Quality Attributes Rankings: In State

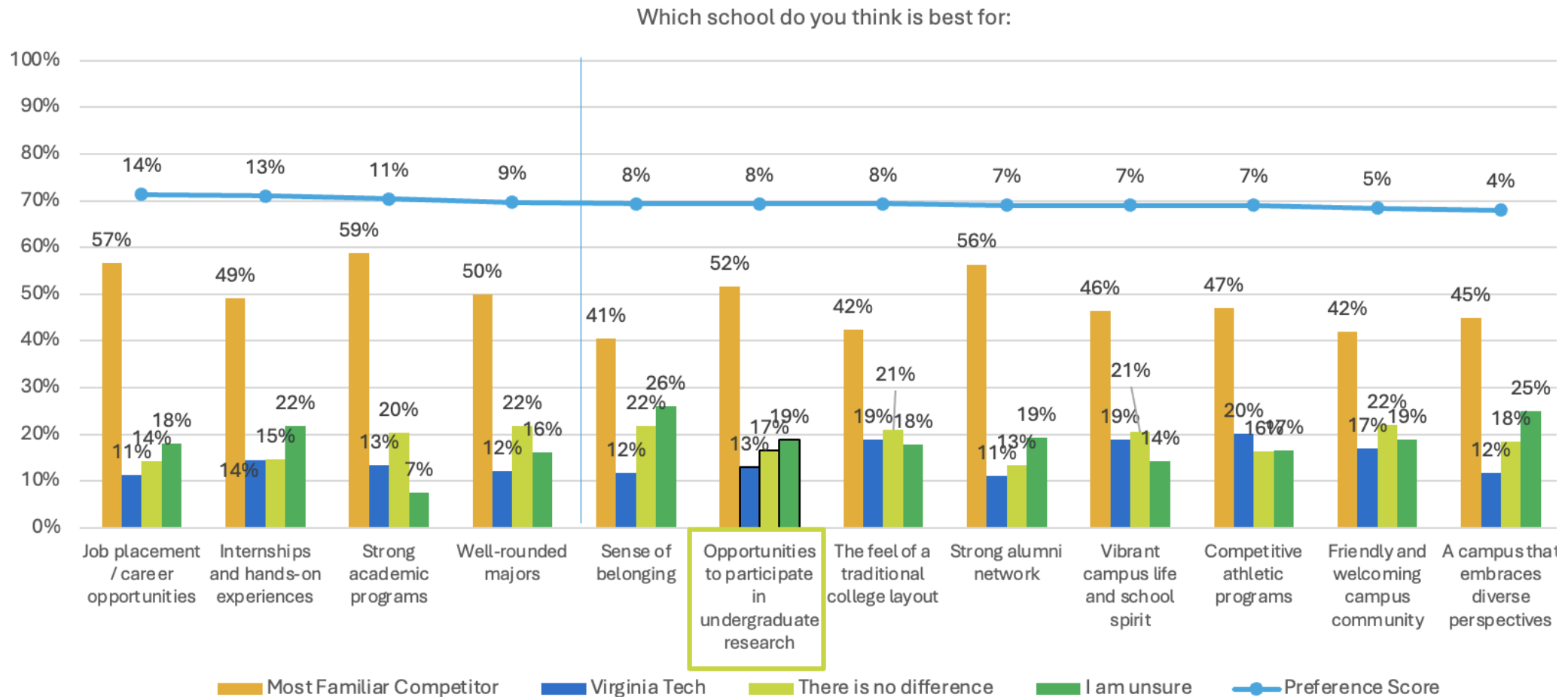
Program opportunities, strengths, and outcomes emerge as top-quality attributes.
 Virginia Tech rated better on campus life/spirit, athletics, and undergrad research.

Which school do you think is best for:



Quality Attributes Rankings: Out of State

In-state top quality attributes are the same as In-state, but in a slightly different ordering





Approval of 2025-26 Faculty Compensation Plan

Simon Allen, Vice President for Finance and Chief Financial Officer

Tim Hodge, Associate Vice President for Budget and Financial Planning

June 3, 2025

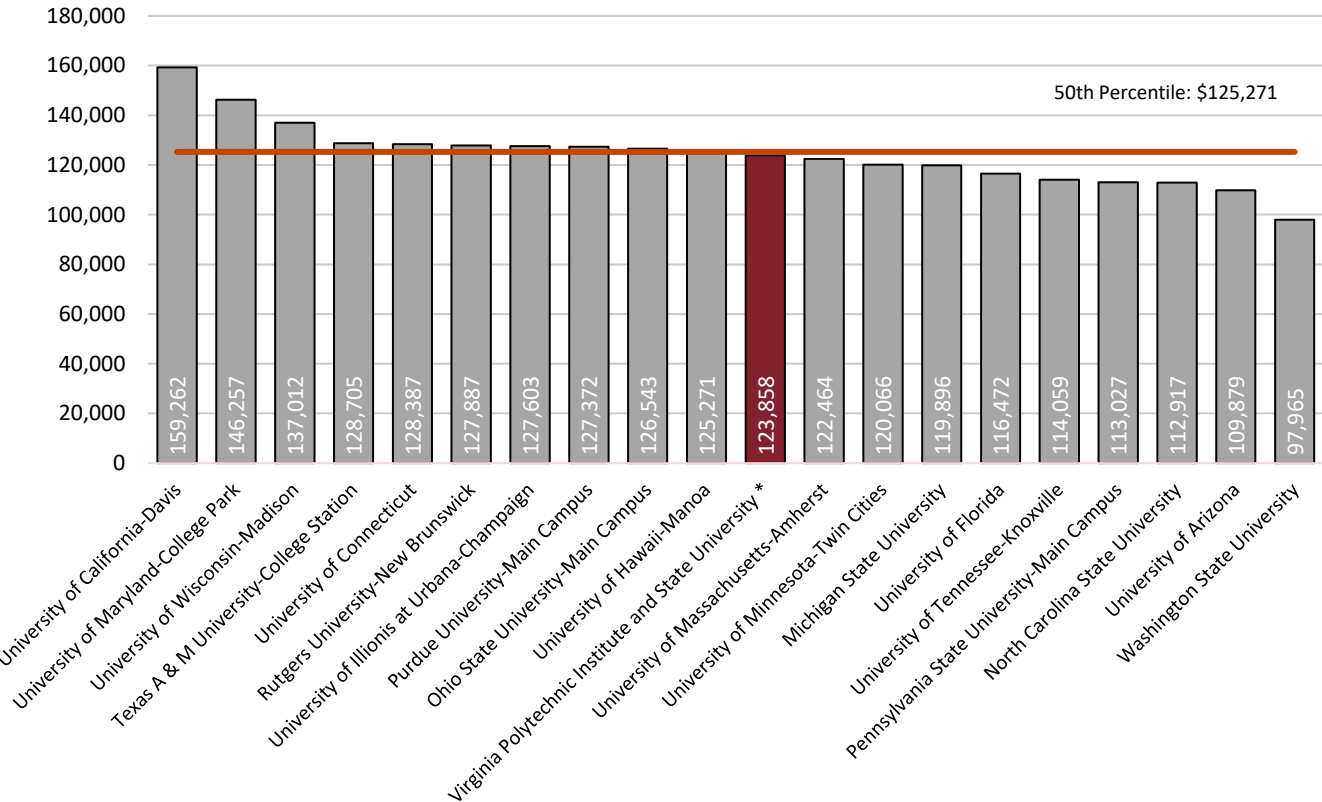
2025-26 Faculty Compensation Plan

- Benchmarking
- Promotion and tenure process
- Annual evaluation and salary adjustments

Benchmarking – Top 20 Land Grants

Strategic Objective: Achieve progress in competitive faculty salaries toward the 50th percentile of Research (R1) Public Land-Grant Universities by 2024

Fall 2023 Average Teaching & Research Faculty Salary



Top 20 Land Grant Group	Fall 2023	Fall 2024	Change
50 th percentile (excl. VT)	\$125,271	N/A*	-
VT Average Salary	\$123,858	\$127,397	2.86%
VT Rank	11 of 20	N/A	-
VT Percentile	48th	N/A	-

Source: IPEDS, VT Consolidated Salary Average.

*IPEDS peer salary data for Fall 2024 is not yet available.

Promotion and Tenure



- Promotion to a higher rank and appointment with tenure may be granted to faculty members on a regular faculty appointment who have demonstrated outstanding accomplishments
- Each candidate for promotion or tenure will be evaluated in the following areas: teaching, scholarship, and service
- The following raises are recommended for promotions to:

Professor	\$10,000
Associate Professor	7,000
Assistant Professor	5,000

Annual Evaluation

- Faculty Activity Report (FAR)
 - Teaching/Research Faculty: instructional activities, research and creative scholarship, and other professional activities and recognitions
 - Administrative/Professional Faculty: activities in support of their specific job goals as they relate to the broader mission of the university
- All non-temporary faculty members must submit a FAR annually
- FAR serves as the basis of faculty evaluations conducted annually by departments
- This process also serves as part of the basis for awarding merit adjustments

Update on Current Merit Process

- State budget included 3.0% increase (July 1, 2025 paycheck)
- Merit recommendations were developed during the spring of 2025, consistent with the proposed 2025-26 Faculty Compensation Plan
- The university was in the final stages of that process as these board materials were being developed
- President, or designee, shall implement the results of the merit program within the parameters specified in the final state Appropriation Act and the university's Faculty Compensation Plan
- A summary of the results of this process will be shared with the Board at its next regularly scheduled meeting following full implementation of the plan

Approval of 2025-26 Faculty Compensation Plan

Recommendation:

That the proposed 2025-26 Faculty Compensation Plan be approved.

June 3, 2025

Approval of 2025-26 Compensation for Graduate Assistants

Simon Allen, Vice President for Finance and
Chief Financial Officer

Tim Hodge, Associate Vice President for
Budget and Financial Planning

June 3, 2025

Graduate Assistantships

Background & Overview

Graduate Assistants provide valuable services to the university, including teaching and support of scholarly and research activities.

Successful recruitment of high-quality graduate students requires the university to offer competitive compensation packages.

A full assistantship equals 20 hours of work per week.

The university has 3,870 graduate assistantships in FY25.

Components of Compensation Package

1. Stipend (including a Stipend Supplement)
2. Tuition and E&G Fee Remission
3. Health insurance benefit

Compensation Components

Stipends

As of Spring 2025, the current average monthly stipend for full-time graduate assistants is \$2,860 per month.

This is comprised of:

1. Base stipend
2. \$458 academic year stipend supplement in FY25 to help offset increased university charges

Compensation Components

Tuition Remission

Valuable benefit for those on assistantship.

Tuition remission funds:

1. Tuition (E&G)
2. Mandatory E&G fees
3. College E&G program fees (not executive program fees)

Does not fund the auxiliary Comprehensive fee

Funded through sources appropriate to the nature of the work

Teaching - state and E&G

Research - external grants & contracts

Compensation Components

Health Insurance

- The university funds 88 percent of the \$3,773 annual premium cost (FY25).
 - Subsidy mirrors the university share of employee health insurance program
- To qualify, full-time graduate students must have a 50 percent or greater assistantship appointment.
- Graduate students may decline coverage.

9-month Compensation FY25

	2024-25	
	In-State	Out-of-State
<u>University Compensation Package</u>		
Stipend, 9-month (average, includes supplement)	\$25,614	\$25,614
Tuition Remission (includes E&G fees)	15,881	32,407
Program Fee Remission (depends on program)	0 - 2,000	0 - 2,000
Immigration Services Fee Remission	0	0 - 550
Health Insurance Subsidy (88%)	3,320	3,320
Total Graduate Assistantship Compensation	<u>\$44,815</u> <u>\$46,815</u>	<u>\$61,341</u> <u>\$63,891</u>
<u>Student Costs</u>		
Comprehensive Fee	\$2,684	\$2,684
Commonwealth Facility & Equipment Fee	0	604
Health Insurance (12%)	453	453
	<u>\$3,137</u>	<u>\$3,741</u>

Recommendation

Stipend -

- 3.0 percent stipend increase effective August 10, 2025
- Increase the academic year Stipend Supplement by \$107.
 - An increase from \$458 to \$565 to help mitigate university costs.
- Increase the stipend table minimum to \$2,800.
- Streamline the graduate assistant compensation stipend table from 50 pay ranges to 11.

Tuition Remission - continue program

Health Insurance - continue 88% subsidy

Approval of 2025-26 Compensation for Graduate Assistants

Recommendation:

That the graduate assistant compensation program
for 2025-26 be approved.

June 3, 2025