

**Review and Approval the 2018-2024 Six-Year Plan**  
**FINANCE AND AUDIT COMMITTEE**  
**May 15, 2017**

**Background**

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 six-year academic, financial, and enrollment plans for the future three biennia. The focus of the plan, submitted each odd-year, is the first biennium of the planning period, and even-year submissions may revise these plans as necessary. The Six-Year plan submission begins 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. A separate plan is submitted on behalf of both the University Division (Agency 208) and the Cooperative Extension & Agricultural Experiment Station Division (Agency 229). This process is also an important step in positioning the university to seek state support during the Executive Budget development process each fall.

The university received instructions for developing the 2018-2024 Six-Year plan on April 28<sup>th</sup>, 2017. The university is currently in the process of developing the Six-year plan for submission to the state. This report provides an early update on this process and key assumptions in order to fully involve the Board of Visitors in the development of the plan.

An initial submission of the plan to the state is due on July 1<sup>st</sup>, 2017. After a review and response period, the university and state will finalize the plan in October 2017. As necessary, the university will update the Board of Visitors on any substantive changes to the six-year plan at the November meeting.

**Planning Assumptions**

**Academic and Support Service Strategies**

The primary goals of the Six-Year plan are to:

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

The university develops the academic initiatives in a manner consistent with the university's long-range plan. A summary of the strategies envisioned in the plans for the University division and the Cooperative Extension and Agricultural Experiment Station division is provided below. The second year of the plan is cumulative (includes costs of the first year of the plan).

### **University Division**

| <b>Academic Initiatives</b>   | <b>\$s in Millions</b> |                |
|---|------------------------|----------------|
|   | <b>2018-19</b>         | <b>2019-20</b> |
| Increase Access for Virginia Undergraduates and Support the Production of STEM-H Degrees in the Commonwealth                          | \$ 8.3                 | \$ 11.0        |
| Develop Destination Areas of Market-Centered Instruction and Research Clusters  | 3.6                    | 7.4            |
| Advance Strategic Research Opportunities and Enhance Entrepreneurial and Innovation Ecosystem   | 5.0                    | 10.0           |
| Support Faculty Startup Packages  | 2.0                    | 4.0            |
| Ensure Access for Low and Middle-Income Families  | 2.1                    | 4.1            |
| Expand Access and Completion through K-12 Pathways, Instructional Sharing, Student Advising, and Summer Session Student Financial Aid | 1.7                    | 1.8            |
| Increase Graduate Enrollment in Strategic Areas   | 2.9                    | 3.3            |
| Integrate Virginia Tech-Carilion School of Medicine as Ninth College of Virginia Tech   | 14.1                   | 14.3           |
| Increase Support for Unique Military Activities   | 0.4                    | 0.4            |
| Advance Institutional Efficiencies and Effectiveness  | 2.0                    | 3.0            |
| <b>Subtotal Academic Initiatives</b>  | <b>\$ 42.1</b>         | <b>\$ 59.3</b> |

| <b>Financial and Operating Initiatives</b>          | <b>\$s in Millions</b> |                |
|---|------------------------|----------------|
|   | <b>2018-19</b>         | <b>2019-20</b> |
| Increase Faculty Salaries                           | \$ 4.6                 | \$ 13.3        |
| Increase Staff Salaries                             | 0.6                    | 1.5            |
| Increase Number of Full-Time Faculty                | -                      | 0.5            |
| Library Inflation                                   | 0.2                    | 0.2            |
| Operations & Maintenance for New Facilities         | 0.8                    | 2.4            |
| Fixed Cost Increases                                | 0.9                    | 1.7            |
| Fringe/Health Insurance Increases                   | 3.4                    | 5.7            |
| Additional Financial Aid for In-state Students      | 0.2                    | 0.3            |
| Annualization of Prior Year Costs                   | 0.8                    | 0.8            |
|   |                        |                |
| <b>Subtotal Financial and Operating Initiatives</b> | <b>\$ 11.5</b>         | <b>\$ 26.4</b> |

| <b>University Division Summary</b> | <b>2018-19</b> | <b>2019-20</b> |
|------------------------------------|----------------|----------------|
| Academic Initiatives               | \$ 42.1        | \$ 59.3        |
| Financial/Operating                | 11.5           | 26.4           |
|                                    |                |                |
| Total                              | <b>\$ 53.6</b> | <b>\$ 85.7</b> |

**Cooperative Extension and Agricultural Experiment Station Division (CE/AES)**

| <b>Academic Initiatives</b>   | <b>\$s in Millions</b> |                |
|---|------------------------|----------------|
|   | <b>2018-19</b>         | <b>2019-20</b> |
| Advance Virginia Agriculture and Natural Resources Initiative to Grow the Future of the Commonwealth's Economy with Public-Private Partnerships | \$ 2.5                 | \$ 5.0         |
| Improve Compensation Levels for Extension Agents to Reduce Turnover and Enhance Service Levels to Commonwealth                                  | 0.8                    | 1.7            |
|   |                        |                |
| <b>Subtotal Academic Initiatives</b>  | <b>\$ 3.3</b>          | <b>\$ 6.7</b>  |

| Financial and Operating Initiatives                 | \$s in Millions |            |
|---|-----------------|------------|
|   | 2018-19         | 2019-20    |
| Increase Faculty and Staff Salaries                 | 0.1             | 0.1        |
| O&M for New Facilities                              | 0.8             | 1.3        |
| Utility Cost Increases                              | 0.5             | 1.1        |
| Fringe/Health Insurance Increases                   | 0.1             | 0.1        |
| <b>Subtotal Financial and Operating Initiatives</b> | <b>1.5</b>      | <b>2.6</b> |

| CE/AES Division Summary | 2018-19       | 2019-20       |
|-------------------------|---------------|---------------|
| Academic Initiatives    | \$ 3.3        | \$ 6.7        |
| Financial/Operating     | 1.5           | 2.6           |
| <b>Total</b>            | <b>\$ 4.8</b> | <b>\$ 9.3</b> |

## Compensation

### *Faculty*

A strategic goal of the university is recruiting and retaining world-class faculty by ensuring faculty salary competitiveness with peer institutions. The state approved a 2.0 percent faculty salary increase in 2017-18, which is below the 2.5 percent increase of peer salary averages projected by State Council on Higher Education for Virginia (SCHEV). The state maintains a codified goal of the 60<sup>th</sup> percentile of peer salary averages, and the university continues to plan progress towards this goal over a multi-year period. Based upon this long-range goal, and utilizing SCHEV's projected peer increase of 2.5 percent per year, the university projects a faculty salary increase need of 4.0 percent in 2018-19 and 2019-20. The university's Six-Year plan includes only the nongeneral fund share of a 4.0 percent increase in each year.

### *Staff*

The state also approved a 3.0 percent staff salary increase in 2017-18. For planning purposes, the staff compensation process envisions a 3.0 percent annual salary increase in 2018-19 and 2019-20 as placeholders for the traditional statewide staff salary program, and the plan reflects the university's nongeneral fund share.

## Access and Affordability

Included in the Academic initiatives above, the university's student financial aid goals include maintaining and expanding existing need-based scholarships for undergraduates. The university envisions continued enhancements to the Funds for the Future program, which provides relief from tuition increase for students from low and middle-income families and helps students and parents plan for the costs of education over multiple years. The Presidential Scholarship Initiative cohort is growing to include additional first-generation undergraduate students from Virginia. Additionally, the university will seek to further reduce the net price for Virginia residents from low to middle-income families.

## Enrollment

The university submitted its six-year enrollment plan to SCHEV, known as the 2B, in the spring of 2017. The 2B is the basis for the enrollment figures included in the Six-Year Plan. The university is currently undergoing a multi-year growth strategy, which will include growth in both undergraduate and graduate students. Success in achieving the annual growth targets will inform future enrollment decisions, and may require adjustments to out-year enrollment assumptions. State support will be important for growth in Virginia undergraduates.

## Funding and Cost Containment

The commonwealth's process discourages initiatives funded solely through incremental General Fund support, except in limited initiatives such as research or public service. 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. However, the university assumes the traditional state share of costs consistent with long-standing and codified funding principles. The university is planning for the nongeneral fund share of these costs in accordance with state policies, as summarized in the table below:

| <b><i>Fund Split Methodology</i></b> | <b>State Share (GF)</b> | <b>University Share (NGF)</b> |
|--------------------------------------|-------------------------|-------------------------------|
| University Division E&G              | 40%                     | 60%                           |
| Cooperative Extension E&G            | 95%                     | 5%                            |
| Research                             | 100%                    | 0%                            |
| Public Service                       | 100%                    | 0%                            |
| Unique Military Activities           | 100%                    | 0%                            |
| Targeted Student Financial Aid       | 0%                      | 100%                          |

In addition to the deployment of incremental revenue, the university also seeks to implement efficiencies that allow the repurposing of resources. To ensure sensitivity to overall cost, the university projects some reallocation of existing resources to help advance top priorities while mitigating the pressure on tuition.

### **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. The initiatives envisioned in the plan include both state General Fund support and nongeneral fund self-generated revenue. Traditionally, Virginia Tech's plan is not balanced; the university cannot generate adequate resources to fund all of the included initiatives through self-generated revenue alone. To balance the plan, the university has assumed a state partnership to fund a portion of the expenses included, utilizing traditional fund split methodologies. The university's share of the revenue is based upon tuition and other E&G revenue placeholders.

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 for future years remains under the purview of the Board of Visitors, and will be informed through an annual discussion of needs, the state budget process (which has not yet begun), and market capacity. However, the state's planning process and template require a placeholder for future tuition and fee rates.

Placeholder tuition and fee rates and revenue are outlined as part of the iterative planning process established by the Higher Education Opportunity Act of 2011. These placeholders are expected to provide a basis for discussion of potential investments and costs/fund split between institutions and the state. The plan reflects the already approved 2017-18 tuition and fee rates. While increases in tuition and mandatory fees for 2018-19 and beyond have not yet been set by the Board of Visitors, the university currently envisions the use of the following placeholders for the state's six-year planning purposes.

| <b>Planning Placeholders</b> | <b>2018-19</b>  |                    | <b>2019-20</b>  |                    |
|------------------------------|-----------------|--------------------|-----------------|--------------------|
|                              | <i>Resident</i> | <i>Nonresident</i> | <i>Resident</i> | <i>Nonresident</i> |
| Undergraduate                | 2.9%            | 2.9%               | 2.9%            | 2.9%               |
| Graduate                     | 2.9%            | 2.9%               | 2.9%            | 2.9%               |
| Veterinary Medicine          | 2.0%            | 2.0%               | 2.0%            | 2.0%               |
| Medical Students             | N/A             | N/A                | 3.5%            | 3.5%               |

### **Next Steps**

The university will submit the Six-Year plan to the commonwealth on July 1, 2017, which will begin an iterative review process that will culminate with potential comments and/or recommended adjustments by the state. If necessary, adjustments by the university would be presented for approval by the Board of Visitors at the November meeting.

The Six-Year plan will serve as the basis of the university's budget submissions for the Executive budget development process in the fall of 2017.

### **RECOMMENDATION:**

That the Board of Visitors approve the 2018-2024 six-year plan.

June 5, 2017

Instructions: In the column entitled "Academic and Support Service Strategies for Six-Year Period (2018-2024)," please provide titles to identify strategies (for the three biennia of this six-year period) associated with goals in the Virginia Plan. *Please use this title to identify a more detailed description of the strategy in the separate Word document (Part II - Narrative).*

| Priority Ranking | ACADEMIC AND SUPPORT SERVICE STRATEGIES FOR SIX-YEAR PERIOD (2016-2022)  |         |  |                             |                                     |                             |              |  |  |
|------------------|--|---------|--|-----------------------------|-------------------------------------|-----------------------------|--------------|--|--|
|                  | Biennium 2018-2020 (7/1/18-6/30/20)  |         |  |                             | Biennium 2020-2022 (7/1/20-6/30/22) |                             |              | Biennium 2022-2024 (7/1/22-6/30/24)  |  |
|                  | Strategies (Short Title)   | VP Goal | Cost: Incremental, Savings, Reallocation |                             |                                     |                             | Strategies   | Strategies   |  |
|                  |  |         | 2018-2019                                |                             | 2019-2020                           |                             |              |  |  |
|                  |  |         | Total Amount                             | Amount From Tuition Revenue | Total Amount                        | Amount From Tuition Revenue |              |  |  |
| 4                | Increase Access for Virginia Undergraduates and Support the Production of STEM-H Degrees in the Commonwealth.<br><br>(General Fund assumed for 67% of the Cost of Education of 200 new VAUGs)  | 1,2     | Incremental:                             | \$8,251,000                 | \$5,784,333                         | \$10,970,500                | \$6,037,167  | Support continuing demand from Virginia residents for a Virginia Tech education in strategic areas including STEM-H degree production as financial support and instructional/residential space permit.   | Support continuing demand from Virginia residents for a Virginia Tech education in strategic areas including STEM-H degree production as financial support and instructional/residential space permit.   |
| 5                | Develop "Destination Areas": Invest in Strategic Market-Centered Instruction and Research Clusters including Adaptive Brain and Behavior, Data Analytics and Decision Sciences, Global Systems Science, Integrated Security, and Intelligent Infrastructure for Human-Centered Communities.<br><br>(Traditional Fund Split: 40% GF. NGF will support portion of progress.) | 3,4     | Incremental:                             | \$3,633,952                 | \$2,180,371                         | \$7,351,975                 | \$3,411,185  | Invest in world-leading instruction and research clusters that are focused on addressing complex (regional, national and global) problems that intersect with Virginia Tech's core strengths, while engaging industry, supporting faculty, and preparing our students to be the next generation of leaders and doers. This is the core of our effort to transform Virginia Tech into a contemporary land-grant university. | Invest in world-leading instruction and research clusters that are focused on addressing complex (regional, national and global) problems that intersect with Virginia Tech's core strengths, while engaging industry, supporting faculty, and preparing our students to be the next generation of leaders and doers. This is the core of our effort to transform Virginia Tech into a contemporary land-grant university. |
| 6                | Advance Strategic Research Opportunities and Enhance Entrepreneurial and Innovation Ecosystem<br><br>(100% General Fund Request)   | 3,4     | Incremental:                             | \$5,000,000                 | \$0                                 | \$10,000,000                | \$0          | Continue to invest in emerging research opportunities that result in significant advances in knowledge and contribute to the economic development of the Commonwealth.   | Continue to invest in emerging research opportunities that result in significant advances in knowledge and contribute to the economic development of the Commonwealth.   |
| 7                | Support Faculty Startup Packages, Particularly for New Faculty in the STEM-H fields, Including Equipment and Lab Renovation<br><br>(Traditional Fund Split: 40% GF. NGF will support portion of progress.)   | 3       | Incremental:                             | \$2,000,000                 | \$1,200,000                         | \$4,000,000                 | \$1,400,000  | As STEM-H areas grow and degree offerings increase, faculty startup that allows the university to be successful in the competitive recruitment market will help ensure that students have access to the best and brightest faculty the discipline has to offer.  | As STEM-H areas grow and degree offerings increase, faculty startup that allows the university to be successful in the competitive recruitment market will help ensure that students have access to the best and brightest faculty the discipline has to offer.  |
| 8                | Ensure Access for Low and Middle-Income Families by Continuing to Expand Need-Based Financial Aid to Undergraduate Students<br><br>(Unfunded Scholarships: 100% NGF)   | 1       | Incremental:                             | \$2,060,694                 | \$2,060,694                         | \$4,121,388                 | \$4,121,388  | Continue to protect low and middle income students from tuition increases, and work to address aggregate unmet need of undergraduate students. Ensure competitive net cost for low- and middle-income Virginia students to enhance affordability.  | Continue to protect low and middle income students from tuition increases, and work to address aggregate unmet need of undergraduate students. Ensure competitive net cost for low- and middle-income Virginia students to enhance affordability.  |
| 9                | Expand Access and Completion of Degrees through Development of Engineering Education Pathway in Southside Virginia, Sharing of Cybersecurity Opportunities with Colleges and High Schools in Virginia, and Student Advising and Summer Session Financial Aid<br><br>(Traditional Fund Split: 40% GF. NGF will support portion of progress.)                                | 1,3,4   | Incremental:                             | \$1,677,982                 | \$1,006,789                         | \$1,813,834                 | \$1,088,300  | Enhance the university's pathways to success and accommodate a diversifying class of students while working towards reduced time-to-degree through unique non-traditional educational opportunities. Continue to work to identify opportunities to collaborate with other institutions in the Commonwealth.  | Enhance the university's pathways to success and accommodate a diversifying class of students while working towards reduced time-to-degree through unique non-traditional educational opportunities. Continue to work to identify opportunities to collaborate with other institutions in the Commonwealth.  |
| 10               | Increase Graduate Enrollment in Strategic Areas<br><br>(100% NGF)  | 2       | Incremental:                             | \$2,953,065                 | \$2,953,065                         | \$3,284,916                 | \$3,284,916  | The university will continue to advance graduate education as a source of innovation and entrepreneurship that leads to higher paying, high-value jobs that are vital for the continued success of the Virginia economy in the global marketplace.   | The university will continue to advance graduate education as a source of innovation and entrepreneurship that leads to higher paying, high-value jobs that are vital for the continued success of the Virginia economy in the global marketplace.   |
| 13               | Integrate Virginia Tech Carilion School of Medicine (VTCsOM) into the University as the Ninth College<br><br>(100% NGF. Funded through tuition and other NGF support; no GF request)   | 2,4     | Incremental:                             | \$14,103,053                | \$7,400,605                         | \$14,261,637                | \$7,522,847  | Continue to seek opportunities to collaborate and integrate operations of medical school with other university programs.   | Continue to seek opportunities to collaborate and integrate operations of medical school with other university programs.   |
| 14               | Increase Support for Unique Military Activities<br><br>(100% General Fund Request)   | 2,4     | Incremental:                             | \$451,082                   | \$0                                 | \$451,082                   | \$0          | Continue the Virginia Tech Corps development of the Commonwealth's next generation of great leaders and citizens.  | Continue the Virginia Tech Corps development of the Commonwealth's next generation of great leaders and citizens.  |
| 15               | Advance Institutional Efficiencies and Effectiveness, and Support Cost Containment Efforts<br><br>(100% NGF)   | 3       | Incremental:                             | \$2,000,000                 | \$2,000,000                         | \$3,000,000                 | \$2,500,000  | The university will continually seek opportunities to employ more efficient and effective business practices that contain costs and ensure the effectiveness of the university's efforts.  | The university will continually seek opportunities to employ more efficient and effective business practices that contain costs and ensure the effectiveness of the university's efforts.  |
| 16               | Reallocation of Existing Resources to Support University Priorities<br><br>(100% NGF)  | 3       | Incremental:                             | \$0                         | \$0                                 | \$0                         | \$0          | To the extent possible, the university will reallocate existing resources to support strategic university priorities including academic advancements, support for faculty startup packages, and enhancing faculty compensation.  | To the extent possible, the university will reallocate existing resources to support strategic university priorities including academic advancements, support for faculty startup packages, and enhancing faculty compensation.  |
|                  | Total 2018-2020 Costs  |         |  |                             |                                     |                             |              |  |  |
|                  | Incremental (Included in Financial Plan line 61)   |         |  | \$42,130,828                | \$24,585,858                        | \$59,255,332                | \$29,365,803 |  |  |
|                  | Savings  |         |  | \$0                         | \$1                                 | \$0                         | \$0          |  |  |
|                  | Reallocation   |         |  | \$700,000                   | \$0                                 | \$3,900,000                 | \$0          |  |  |



Instructions: In the column entitled "Academic and Support Service Strategies for Six-Year Period (2018-2024)," please provide titles to identify strategies (for the three biennia of this six-year period) associated with goals in the Virginia Plan. *Please use this title to identify a more detailed description of the strategy in the separate Word document (Part II - Narrative).*

| Priority<br>Ranking | ACADEMIC AND SUPPORT SERVICE STRATEGIES FOR SIX-YEAR PERIOD (2016-2022)  |   |  |                             |                             |                                     |   |                                     |                             |  |
|---------------------|--|---|--|-----------------------------|-----------------------------|-------------------------------------|---|-------------------------------------|-----------------------------|--|
|                     | Biennium 2018-2020 (7/1/18-6/30/20)  |   |  |                             |                             | Biennium 2020-2022 (7/1/20-6/30/22) |   | Biennium 2022-2024 (7/1/22-6/30/24) |                             |  |
|                     | Strategies (Short Title)   | VP Goal   | Cost: Incremental, Savings, Reallocation |                             |                             |                                     | Strategies                              | Strategies                          |                             |  |
|                     |  |   | 2018-2019                                |                             | 2019-2020                   |                                     |   |                                     |                             |  |
| Total Amount        |  |   | Amount From Tuition Revenue              | Total Amount                | Amount From Tuition Revenue |                                     |   |                                     |                             |  |
|                     | Six-Year Financial Plan for Educational and General Programs, Incremental Operating Budget Need<br>2018-2020 Biennium<br>(Assuming No Additional General Fund) |   |  |                             |                             |                                     |   |                                     |                             |  |
|                     |  |   | 2018-2019                                |                             | 2019-2020                   |                                     | 2016-17                                 |                                     | 2017-18                     |  |
|                     | Items  |   | Total Amount                             | Amount From Tuition Revenue | Total Amount                | Amount From Tuition Revenue         | Salary Increase Rate and Tuition Amount | Total Amount                        | Amount From Tuition Revenue |  |
|                     | Total Incremental Cost from Academic Plan <sup>1</sup>   |   | \$42,130,828                             | \$24,585,858                | \$59,255,332                | \$29,365,803                        |   |                                     |                             |  |
|                     | 1  | Increase T&R Faculty Salaries <sup>2</sup> (60% NGF Share of 4% annual increase needed to reach 60th %tile over 6 years)    | \$3,420,956                              | \$3,420,956                 | \$9,873,405                 | \$9,873,405                         | \$4,777,783                             | \$5,119,705                         | \$0                         |  |
|                     |  | T&R Faculty Salary Increase Rate <sup>3</sup> (60% NGF Share of 4% annual increase needed to reach 60th %tile over 6 years) | 2.40%                                    | 2.40%                       | 2.40%                       | 2.40%                               | 2.00%                                   | 2.00%                               | 0.00%                       |  |
|                     | 1  | Increase Admin. Faculty Salaries <sup>2</sup> (60% NGF Share of 4% annual increase)   | \$1,188,745                              | \$1,188,745                 | \$3,430,902                 | \$3,430,902                         | \$1,689,902                             | \$1,779,892                         | \$0                         |  |
|                     |  | Admin. Faculty Salary Increase Rate (60% NGF Share of 4% annual increase)   | 2.40%                                    | 2.40%                       | 2.40%                       | 2.40%                               | 2.00%                                   | 2.00%                               | 0.00%                       |  |
|                     | 2  | Increase Classified Staff Salaries <sup>2</sup>   | \$0                                      | \$0                         | \$0                         | \$0                                 | \$0                                     | \$1,433,320                         | \$0                         |  |
|                     |  | Classified Salary Increase Rate   | 0.00%                                    | 0.00%                       | 0.00%                       | 0.00%                               | 0.00%                                   | 3.00%                               | 0.00%                       |  |
|                     | 2  | Increase University Staff Salaries <sup>2</sup> (60% NGF Share of 3% annual increase)                                       | \$523,342                                | \$523,342                   | \$1,505,213                 | \$1,505,213                         | \$958,766                               | \$1,563,382                         | \$0                         |  |
|                     |  | University Staff Salary Increase Rate (60% NGF Share of 3% annual increase)   | 1.80%                                    | 1.80%                       | 1.80%                       | 1.80%                               | 2.00%                                   | 3.00%                               | 0.00%                       |  |
|                     | 11   | Increase Number of Full-Time T&R Faculty <sup>4</sup> (\$) (Traditional Fund Split, 60% NGF)                                | \$0                                      | \$0                         | \$471,250                   | \$282,750                           |   |                                     |                             |  |
|                     |  | Increase Number of Full-Time T&R Faculty <sup>4</sup> (FTE)   | 0  | 0                           | 0                           | 0                                   |   |                                     |                             |  |
|                     |  | Increase Number of Full-Time Admin. Faculty <sup>4</sup> (\$) )   | \$0                                      | \$0                         | \$0                         | \$0                                 |   |                                     |                             |  |
|                     |  | Increase Number of Full-Time Admin. Faculty <sup>4</sup> (FTE)  | 0  | 0                           | 0                           | 0                                   |   |                                     |                             |  |
|                     |  | Increase Number of Part-Time Faculty <sup>4</sup> (\$) )  | \$0                                      | \$0                         | \$0                         | \$0                                 |   |                                     |                             |  |
|                     |  | Increase Number of Part-Time Faculty <sup>4</sup> (FTE)   | 0  | 0                           | 0                           | 0                                   |   |                                     |                             |  |
|                     |  | Increase Number of Classified Staff <sup>4</sup> (\$) )   | \$0                                      | \$0                         | \$0                         | \$0                                 |   |                                     |                             |  |
|                     |  | Increase Number of Classified Staff <sup>4</sup> (FTE)  | 0  | 0                           | 0                           | 0                                   |   |                                     |                             |  |
|                     |  | Increase Number of University Staff <sup>4</sup> (\$) )   | \$0                                      | \$0                         | \$0                         | \$0                                 |   |                                     |                             |  |
|                     |  | Increase Number of University Staff <sup>4</sup> (FTE)  | 0  | 0                           | 0                           | 0                                   |   |                                     |                             |  |
|                     | 12   | Library Enhancement <sup>4</sup> (\$) (Inflation)   | \$250,000                                | \$250,000                   | \$250,000                   | \$250,000                           |   |                                     |                             |  |
|                     |  | Library Enhancement <sup>4</sup> (FTE)  | 0  | 0                           | 0                           | 0                                   |   |                                     |                             |  |
|                     |  | Technology Enhancement <sup>4</sup> (\$) )  | \$0                                      | \$0                         | \$0                         | \$0                                 |   |                                     |                             |  |
|                     |  | Technology Enhancement <sup>4</sup> (FTE)   | 0  | 0                           | 0                           | 0                                   |   |                                     |                             |  |
|                     | 3  | O&M for New Facilities <sup>4</sup> (\$) )  | \$846,484                                | \$846,484                   | \$2,422,896                 | \$2,422,896                         |   |                                     |                             |  |
|                     |  | O&M for New Facilities <sup>4</sup> (FTE)   | 0  | 0                           | 0                           | 0                                   |   |                                     |                             |  |
|                     | 15   | Fixed Cost Increases  | \$850,000                                | \$850,000                   | \$1,700,000                 | \$1,700,000                         |   |                                     |                             |  |
|                     |  | NGF share of state authorized salary increase/bonus   | \$0                                      | \$0                         | \$0                         | \$0                                 |   |                                     |                             |  |
|                     | 17   | Fringe/health insurance benefits increase   | \$3,399,701                              | \$3,399,701                 | \$5,694,499                 | \$5,694,499                         |   |                                     |                             |  |
|                     |  | VRS increase  | \$0                                      | \$0                         | \$0                         | \$0                                 |   |                                     |                             |  |
|                     | 18   | Annualization of 2017-18 Salary Increase  | \$824,692                                | \$494,815                   | \$824,692                   | \$494,815                           |   |                                     |                             |  |
|                     | 8  | Additional In-State Student Financial Aid From Tuition Revenue  | \$175,000                                | \$175,000                   | \$275,000                   | \$275,000                           |   |                                     |                             |  |
|                     |  | Others (Specify, insert lines below)  | \$0                                      | \$0                         | \$0                         | \$0                                 |   |                                     |                             |  |
|                     |  | Safety and Security Enhancement   | \$0                                      | \$0                         | \$0                         | \$0                                 |   |                                     |                             |  |
|                     |  | Total Additional Funding Need   | \$53,609,748                             | \$35,734,901                | \$85,703,189                | \$55,295,283                        |   |                                     |                             |  |

Notes:  
(1) Please ensure that these items are not double counted if they are already included in the incremental cost of the academic plan.  
(2) If planned, enter the cost of any institution-wide increase.  
(3) Enter planned annual faculty salary increase rate. Any salary increase entered here will be counted when calculating the gap to reach the 60th percentile in the future.  
(4) Enter number of FTE change over the FY2018 level in appropriate columns.

# Six-Year Plans - Part I (2017): 2018-20 through 2022-24

## Virginia Tech

### Six-Year Financial Plan for Tuition and Fee Increases and Nongeneral Fund Revenue Estimates

Attachment T

| Items  | 2016-2017 (Estimated) |               | 2017-2018 (Estimated) |               |               | 2018-2019 (Planned) |               |               | 2019-2020 (Planned) |               |               |
|--|-----------------------|---------------|-----------------------|---------------|---------------|---------------------|---------------|---------------|---------------------|---------------|---------------|
|  | Student Charge        | Total Revenue | Student Charge        | Rate Increase | Total Revenue | Student Charge      | Rate Increase | Total Revenue | Student Charge      | Rate Increase | Total Revenue |
| <b>E&amp;G Programs</b>                                |                       |               |                       |               |               |                     |               |               |                     |               |               |
| Undergraduate, In-State                                | \$10,941              | \$195,985,233 | \$11,263              | 2.9%          | \$205,104,260 | \$11,590            | 2.9%          | \$215,388,090 | \$11,926            | 2.9%          | \$223,203,357 |
| Undergraduate, Out-of-State                            | \$28,064              | \$191,111,702 | \$29,047              | 3.5%          | \$208,167,661 | \$29,889            | 2.9%          | \$224,789,599 | \$30,756            | 2.9%          | \$233,626,548 |
| Graduate, In-State                                     | \$12,621              | \$18,632,110  | \$13,105              | 3.8%          | \$20,666,961  | \$13,485            | 2.9%          | \$21,941,709  | \$13,876            | 2.9%          | \$23,223,369  |
| Graduate, Out-of-State                                 | \$25,853              | \$34,637,827  | \$26,843              | 3.8%          | \$36,564,805  | \$27,621            | 2.9%          | \$38,974,465  | \$28,422            | 2.9%          | \$41,389,240  |
| Law, In-State  | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Law, Out-of-State                                      | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Medicine, In-State                                     | \$0                   | \$0           | \$0                   | %             | \$0           | \$52,268            | %             | \$2,863,329   | \$54,097            | 3.5%          | \$2,917,953   |
| Medicine, Out-of-State                                 | \$0                   | \$0           | \$0                   | %             | \$0           | \$52,268            | %             | \$4,537,276   | \$54,097            | 3.5%          | \$4,604,894   |
| Dentistry, In-State                                    | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Dentistry, Out-of-State                                | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| PharmD, In-State                                       | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| PharmD, Out-of-State                                   | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Veterinary Medicine, In-State                          | \$21,706              | \$6,667,886   | \$22,230              | 2.4%          | \$6,738,265   | \$22,675            | 2.0%          | \$6,873,030   | \$23,128            | 2.0%          | \$7,010,491   |
| Veterinary Medicine, Out-of-State                      | \$48,842              | \$7,659,198   | \$50,029              | 2.4%          | \$7,719,715   | \$51,030            | 2.0%          | \$7,874,110   | \$52,050            | 2.0%          | \$8,031,592   |
| Other NGF  |                       | \$68,496,379  |                       |               | \$67,185,878  |                     |               | \$73,888,326  |                     |               | \$73,888,326  |
| Total E&G Revenue - Gross                              |                       | \$523,190,335 |                       |               | \$552,147,544 |                     |               | \$597,129,934 |                     |               | \$617,895,770 |
| Total E&G Revenue - Net of Financial Aid               |                       | \$521,835,715 |                       |               | \$547,379,544 |                     |               | \$588,861,934 |                     |               | \$607,627,770 |
| E&G Revenue Used for Faculty Salary Increases          |                       | \$6,467,685   |                       |               | \$6,899,597   |                     |               | \$4,609,701   |                     |               | \$13,304,307  |
| Average T&R Faculty Salary Increase Rate               |                       | 2.00%         |                       |               | 2.00%         |                     |               | 4.00%         |                     |               | 4.00%         |
| <b>Auxiliary Program</b>                               |                       |               |                       |               |               |                     |               |               |                     |               |               |
| Mandatory Non-E&G Fees                                 |                       |               |                       |               |               |                     |               |               |                     |               |               |
| Undergraduate  | \$1,911               |               | \$1,967               | 2.9%          |               | \$2,024             | 2.9%          |               | \$2,083             | 2.9%          |               |
| Graduate   | \$1,911               |               | \$1,967               | 2.9%          |               | \$2,024             | 2.9%          |               | \$2,083             | 2.9%          |               |
| Law  | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Medicine   | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Dentistry  | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| PharmD   | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Veterinary Medicine                                    | \$1,911               |               | \$1,967               | 2.9%          |               | \$2,024             | 2.9%          |               | \$2,083             | 2.9%          |               |
| Total Auxiliary Revenue (ALL including room and board) |                       | \$325,648,508 |                       |               | \$333,952,282 |                     |               | \$345,334,979 |                     |               | \$356,475,967 |
| <b>Total Tuition and Fees</b>                          |                       |               |                       |               |               |                     |               |               |                     |               |               |
| Undergraduate, In-State                                | \$12,852              |               | \$13,230              | 2.9%          |               | \$13,614            | 2.9%          |               | \$14,009            | 2.9%          |               |
| Undergraduate, Out-of-State                            | \$29,975              |               | \$31,014              | 3.5%          |               | \$31,913            | 2.9%          |               | \$32,839            | 2.9%          |               |
| Graduate, In-State                                     | \$14,532              |               | \$15,072              | 3.7%          |               | \$15,509            | 2.9%          |               | \$15,959            | 2.9%          |               |
| Graduate, Out-of-State                                 | \$27,764              |               | \$28,810              | 3.8%          |               | \$29,645            | 2.9%          |               | \$30,505            | 2.9%          |               |
| Law, In-State  | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Law, Out-of-State                                      | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Medicine, In-State                                     | \$0                   |               | \$0                   | %             |               | \$52,268            | %             |               | \$54,097            | 3.5%          |               |
| Medicine, Out-of-State                                 | \$0                   |               | \$0                   | %             |               | \$52,268            | %             |               | \$54,097            | 3.5%          |               |
| Dentistry, In-State                                    | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Dentistry, Out-of-State                                | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| PharmD, In-State                                       | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| PharmD, Out-of-State                                   | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Veterinary Medicine, In-State                          | \$23,617              |               | \$24,197              | 2.5%          |               | \$24,699            | 2.1%          |               | \$25,211            | 2.1%          |               |
| Veterinary Medicine, Out-of-State                      | \$50,753              |               | \$51,996              | 2.4%          |               | \$53,054            | 2.0%          |               | \$54,133            | 2.0%          |               |
|  |                       |               |                       |               |               |                     |               |               |                     |               |               |
| <b>Student Financial Aid (Program 108)</b>             |                       | \$1,354,620   |                       |               | \$4,768,000   |                     |               | \$8,268,000   |                     |               | \$10,268,000  |
| <b>Sponsored Programs (Program 110)</b>                |                       | \$298,475,730 |                       |               | \$337,064,294 |                     |               | \$347,429,394 |                     |               | \$357,847,496 |
| <b>Unique Military Activities</b>                      |                       | \$0           |                       |               | \$0           |                     |               | \$0           |                     |               | \$0           |
| <b>Workforce Development</b>                           |                       | \$0           |                       |               | \$0           |                     |               | \$0           |                     |               | \$0           |
| <b>Other (Federal Work Study, Surplus)</b>             |                       | \$0           |                       |               | \$0           |                     |               | \$0           |                     |               | \$0           |

**Six-Year Plans - Part I (2017): 2018-20 through 2022-24****Virginia Tech****FINANCIAL AID PLAN**

**Note: If you do not have actual amounts for Tuition Revenue for Financial Aid by student category, please provide an estimate. If values are not distributed for Tuition Revenue for Financial Aid, a distribution may be calculated for your institution.**

**Allocation of Tuition Revenue Used for Student Financial Aid****2015-16 (Actual)**

| T&F Used for Financial Aid       | Gross Tuition Revenue | Tuition Revenue for Financial Aid (Program 108) | % Revenue for Financial Aid | Distribution of Financial Aid |
|----------------------------------|-----------------------|---|-----------------------------|-------------------------------|
| Undergraduate, In-State          | \$184,205,648         | \$291,250                                       | 0.2%                        | \$291,250                     |
| Undergraduate, Out-of-State      | \$176,853,876         | \$929,000                                       | 0.5%                        | \$929,000                     |
| Graduate, In-State               | \$17,355,145          | \$142,727                                       | 0.8%                        | \$142,727                     |
| Graduate, Out-of-State           | \$31,106,941          | \$2,342   | 0.0%                        | \$2,342                       |
| First Professional, In-State     | \$6,795,840           | \$0   | %                           | \$0                           |
| First Professional, Out-of-State | \$7,832,710           | \$0   | %                           | \$0                           |
| Total                            | \$424,150,160         | \$1,365,319                                     | 0.3%                        | \$1,365,319                   |
| In-State Sub-Total               | \$208,356,633         | \$433,977                                       | 0.2%                        | \$433,977                     |

**\*2016-17 (Estimated) Please see footnote below**

| T&F Used for Financial Aid       | Gross Tuition Revenue | Tuition Revenue for Financial Aid (Program 108) | % Revenue for Financial Aid | Distribution of Financial Aid |
|----------------------------------|-----------------------|---|-----------------------------|-------------------------------|
| Undergraduate, In-State          | \$195,985,233         | \$83,957  | 0.0%                        | \$83,957                      |
| Undergraduate, Out-of-State      | \$191,111,702         | \$1,180,318                                     | 0.6%                        | \$1,180,318                   |
| Graduate, In-State               | \$18,632,110          | \$86,218  | 0.5%                        | \$86,218                      |
| Graduate, Out-of-State           | \$34,637,827          | \$4,127   | 0.0%                        | \$4,127                       |
| First Professional, In-State     | \$6,667,886           | \$0   | %                           | \$0                           |
| First Professional, Out-of-State | \$7,659,198           | \$0   | %                           | \$0                           |
| Total                            | \$454,693,956         | \$1,354,620                                     | 0.3%                        | \$1,354,620                   |
| Total from Finance-T&F worksheet | \$523,190,335         | \$1,354,620                                     | 0.3%                        |                               |
| In-State Sub-Total               | \$221,285,229         | \$170,175                                       | 0.1%                        | \$170,175                     |

**2017-18 (Planned)**

| T&F Used for Financial Aid       | Gross Tuition Revenue | Tuition Revenue for Financial Aid (Program 108) | % Revenue for Financial Aid | Distribution of Financial Aid |
|----------------------------------|-----------------------|---|-----------------------------|-------------------------------|
| Undergraduate, In-State          | \$205,104,260         | \$457,500                                       | 0.2%                        | \$457,500                     |
| Undergraduate, Out-of-State      | \$208,167,661         | \$4,280,500                                     | 2.1%                        | \$4,280,500                   |
| Graduate, In-State               | \$20,666,961          | \$30,000  | 0.1%                        | \$30,000                      |
| Graduate, Out-of-State           | \$36,564,805          | \$0   | %                           | \$0                           |
| First Professional, In-State     | \$6,738,265           | \$0   | %                           | \$0                           |
| First Professional, Out-of-State | \$7,719,715           | \$0   | %                           | \$0                           |
| Total                            | \$484,961,666         | \$4,768,000                                     | 1.0%                        | \$4,768,000                   |
| Total from Finance-T&F worksheet | \$552,147,544         | \$4,768,000                                     | 0.9%                        |                               |
| In-State Sub-Total               | \$232,509,485         | \$487,500                                       | 0.2%                        | \$487,500                     |
| Additional In-State              | \$11,224,256          | \$317,325                                       | 2.8%                        | \$317,325                     |

**2018-19 (Planned)**

| T&F Used for Financial Aid              | Gross Tuition Revenue | Tuition Revenue for Financial Aid (Program 108) | % Revenue for Financial Aid | Distribution of Financial Aid |
|---|-----------------------|---|-----------------------------|-------------------------------|
| Undergraduate, In-State                 | \$215,388,090         | \$632,500                                       | 0.3%                        | \$632,500                     |
| Undergraduate, Out-of-State             | \$223,789,599         | \$7,605,500                                     | 3.4%                        | \$7,605,500                   |
| Graduate, In-State                      | \$21,941,709          | \$30,000  | 0.1%                        | \$30,000                      |
| Graduate, Out-of-State                  | \$38,974,465          | \$0   | %                           | \$0                           |
| First Professional, In-State            | \$9,736,360           | \$0   | %                           | \$0                           |
| First Professional, Out-of-State        | \$12,411,385          | \$0   | %                           | \$0                           |
| Total                                   | \$522,241,608         | \$8,268,000                                     | 1.6%                        | \$8,268,000                   |
| Total from Finance-T&F worksheet        | \$596,129,934         | \$8,268,000                                     | 1.4%                        |                               |
| In-State Sub-Total                      | \$247,066,158         | \$662,500                                       | 0.3%                        | \$662,500                     |
| Additional In-State                     | \$14,556,673          | \$175,000                                       | 1.2%                        | \$175,000                     |
| Additional In-State from Financial Plan |                       | \$175,000                                       | 1.2%                        |                               |

**2019-20 (Planned)**

| T&F Used for Financial Aid              | Gross Tuition Revenue | Tuition Revenue for Financial Aid (Program 108) | % Revenue for Financial Aid | Distribution of Financial Aid |
|---|-----------------------|---|-----------------------------|-------------------------------|
| Undergraduate, In-State                 | \$223,203,357         | \$732,500                                       | 0.3%                        | \$732,500                     |
| Undergraduate, Out-of-State             | \$232,626,548         | \$9,505,500                                     | 4.1%                        | \$9,505,500                   |
| Graduate, In-State                      | \$23,223,369          | \$30,000  | 0.1%                        | \$30,000                      |
| Graduate, Out-of-State                  | \$41,389,240          | \$0   | %                           | \$0                           |
| First Professional, In-State            | \$9,942,540           | \$0   | %                           | \$0                           |
| First Professional, Out-of-State        | \$12,658,732          | \$0   | %                           | \$0                           |
| Total                                   | \$543,043,786         | \$10,268,000                                    | 1.9%                        | \$10,268,000                  |
| Total from Finance-T&F worksheet        | \$616,932,112         | \$10,268,000                                    | 1.7%                        |                               |
| In-State Sub-Total                      | \$256,369,266         | \$762,500                                       | 0.3%                        | \$762,500                     |
| Additional In-State                     | \$9,303,108           | \$100,000                                       | 1.1%                        | \$100,000                     |
| Additional In-State from Financial Plan |                       | \$100,000                                       | 1.1%                        |                               |

\* Please note that the totals reported here will be compared with those reported by the financial aid office on the institution's annual S1/S2 report. Since the six-year plan is estimated and the S1/S2 is "actual," the numbers do not have to match perfectly but these totals should reconcile to within a reasonable tolerance level. Please be sure that all institutional offices reporting tuition/fee revenue used for aid have the same understanding of what is to be reported for this category of aid.

Note: Virginia Tech utilizes limited "T&F Used for Financial Aid" to fund targeted institutional initiatives. Most institutional student financial aid is provided through need-based unfunded scholarships.

Six-Year Plans - Part I (2017): 2018-20 through 2022-24  
Institution Name

ACADEMIC AND FINANCIAL PLAN

Instructions: In the column entitled "Academic and Support Service Strategies for Six-Year Period (2018-2024)," please provide titles to identify strategies (for the three biennia of this six-year period) associated with goals in the Virginia Plan. *Please use this title to identify a more detailed description of the strategy in the separate Word document (Part II - Narrative).*

| ACADEMIC AND SUPPORT SERVICE STRATEGIES FOR SIX-YEAR PERIOD (2016-2022) |   |         |  |              |                             |              |                                     |  |  |
|---|---|---------|--|--------------|-----------------------------|--------------|-------------------------------------|--|--|
| Priority Ranking  | Biennium 2018-2020 (7/1/18-6/30/20)   |         |  |              |                             |              | Biennium 2020-2022 (7/1/20-6/30/22) |  | Biennium 2022-2024 (7/1/22-6/30/24)  |
|   | Strategies (Short Title)  | VP Goal | Cost: Incremental, Savings, Reallocation |              |                             |              | Strategies                          | Strategies   |  |
|   |   |         |  | 2018-2019    |                             | 2019-20      |                                     |  |  |
|   |   |         |  | Total Amount | Amount From Tuition Revenue | Total Amount |                                     |  | Amount From Tuition Revenue  |
| 3   | Advance Virginia Agriculture and Natural Resources Initiative to Grow the Future of the Commonwealth's Economy with Public-Private Partnerships<br><br>(100% GF Request ) |         | Incremental:                             | \$2,500,000  | \$0                         | \$5,000,000  | \$0                                 | Continue to leverage strength in agricultural biosciences to grow research that builds the commonwealth's economy and the health and competitiveness of the agricultural sector. | Continue to leverage strength in agricultural biosciences to grow research that builds the commonwealth's economy and the health and competitiveness of the agricultural sector. |
|   |   |         | Savings:                                 | \$0          | \$0                         | \$0          | \$0                                 |  |  |
|   |   |         | Reallocation:                            | \$0          | \$0                         | \$0          | \$0                                 |  |  |
| 4   | Improve Compensation Levels for Extension Agents to Reduce Turnover and Enhance Service Levels to Commonwealth<br><br>(100% GF Request)                                   |         | Incremental:                             | \$837,489    | \$0                         | \$1,716,853  | \$0                                 | Continue to enhance the salary competitiveness of Virginia's Cooperative Extension Agents.   | Continue to enhance the salary competitiveness of Virginia's Cooperative Extension Agents.   |
|   |   |         | Savings:                                 | \$0          | \$0                         | \$0          | \$0                                 |  |  |
|   |   |         | Reallocation:                            | \$0          | \$0                         | \$0          | \$0                                 |  |  |
|   | Total 2018-2020 Costs   |         |  |              |                             |              |                                     |  |  |
|   | Incremental (Included in Financial Plan line 61)  |         |  | \$3,337,489  | \$0                         | \$6,716,853  | \$0                                 |  |  |
|   | Savings   |         |  | \$0          | \$0                         | \$0          | \$0                                 |  |  |
|   | Reallocation  |         |  | \$0          | \$0                         | \$0          | \$0                                 |  |  |

Six-Year Plans - Part I (2017): 2018-20 through 2022-24  
Institution Name

ACADEMIC AND FINANCIAL PLAN

Instructions: In the column entitled "Academic and Support Service Strategies for Six-Year Period (2018-2024)," please provide titles to identify strategies (for the three biennia of this six-year period) associated with goals in the Virginia Plan. *Please use this title to identify a more detailed description of the strategy in the separate Word document (Part II - Narrative).*

| Priority Ranking | ACADEMIC AND SUPPORT SERVICE STRATEGIES FOR SIX-YEAR PERIOD (2016-2022)  |  |              |  |              |                                     |   |                                     |                             |  |
|------------------|--|--|--------------|--|--------------|-------------------------------------|---|-------------------------------------|-----------------------------|--|
|                  | Biennium 2018-2020 (7/1/18-6/30/20)  |  |              |  |              | Biennium 2020-2022 (7/1/20-6/30/22) |   | Biennium 2022-2024 (7/1/22-6/30/24) |                             |  |
|                  | Strategies (Short Title)   | VP Goal  |              | Cost: Incremental, Savings, Reallocation |              | Strategies                          | Strategies                              |                                     |                             |  |
|                  |  |  |              | 2018-2019                                |              |                                     |   | 2019-20                             |                             |  |
| Total Amount     |  |  |              | Amount From Tuition Revenue              | Total Amount |                                     |   | Amount From Tuition Revenue         |                             |  |
|                  | Six-Year Financial Plan for Educational and General Programs, Incremental Operating Budget Need<br>2018-2020 Biennium<br>(Assuming No Additional General Fund) |  |              |  |              |                                     |   |                                     |                             |  |
|                  |  |  | 2018-2019    |  | 2019-2020    |                                     | 2016-17 <sup>(5)</sup>                  |                                     | 2017-18                     |  |
|                  | Items  |  | Total Amount | Amount From Tuition Revenue              | Total Amount | Amount From Tuition Revenue         | Salary Increase Rate and Tuition Amount | Total Amount                        | Amount From Tuition Revenue |  |
|                  | Total Incremental Cost from Academic Plan <sup>1</sup>   |  | \$3,337,489  | \$0                                      | \$6,716,853  | \$0                                 |   |                                     |                             |  |
|                  | 1  | Increase T&R Faculty Salaries <sup>2</sup> (5% NGF Share of 4% annual increase needed to reach 60th %tile over 6 years)    | \$23,899     | \$0                                      | \$68,978     | \$0                                 | \$0                                     | \$544,161                           | \$0                         |  |
|                  |  | T&R Faculty Salary Increase Rate <sup>3</sup> (5% NGF Share of 4% annual increase needed to reach 60th %tile over 6 years) | 0.20%        | 0.00%                                    | 0.20%        | 0.00%                               | 2.00%                                   | 2.00%                               | 0.00%                       |  |
|                  | 1  | Increase Admin. Faculty Salaries <sup>2</sup> (5% NGF Share of 4% annual increase)   | \$18,146     | \$0                                      | \$52,371     | \$0                                 | \$0                                     | \$413,951                           | \$0                         |  |
|                  |  | Admin. Faculty Salary Increase Rate (5% NGF Share of 4% annual increase)   | 0.20%        | 0.00%                                    | 0.20%        | 0.00%                               | 2.00%                                   | 2.00%                               | 0.00%                       |  |
|                  | 2  | Increase Classified Staff Salaries <sup>2</sup>  | \$0          | \$0                                      | \$0          | \$0                                 | \$0                                     | \$269,450                           |                             |  |
|                  |  | Classified Salary Increase Rate  | 0.00%        | 0.00%                                    | 0.00%        | 0.00%                               | 0.00%                                   | 3.00%                               | 0.00%                       |  |
|                  | 2  | Increase University Staff Salaries <sup>2</sup> (5% NGF Share of 3% annual increase)                                       | \$6,557      | \$0                                      | \$23,229     | \$0                                 | \$0                                     | \$294,818                           | \$0                         |  |
|                  |  | University Staff Salary Increase Rate (5% NGF Share of 3% annual increase)   | 0.15%        | 0.00%                                    | 0.15%        | 0.00%                               | 2.00%                                   | 3.00%                               | 0.00%                       |  |
|                  |  | Increase Number of Full-Time T&R Faculty <sup>4</sup> (\$)   | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  |  | Increase Number of Full-Time T&R Faculty <sup>4</sup> (FTE)  | 0            | 0  | 0            | 0                                   |   |                                     |                             |  |
|                  |  | Increase Number of Full-Time Admin. Faculty <sup>4</sup> (\$)  | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  |  | Increase Number of Full-Time Admin. Faculty <sup>4</sup> (FTE)   | 0            | 0  | 0            | 0                                   |   |                                     |                             |  |
|                  |  | Increase Number of Part-Time Faculty <sup>4</sup> (\$)   | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  |  | Increase Number of Part-Time Faculty <sup>4</sup> (FTE)  | 0            | 0  | 0            | 0                                   |   |                                     |                             |  |
|                  |  | Increase Number of Classified Staff <sup>4</sup> (\$)  | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  |  | Increase Number of Classified Staff <sup>4</sup> (FTE)   | 0            | 0  | 0            | 0                                   |   |                                     |                             |  |
|                  |  | Increase Number of University Staff <sup>4</sup> (\$)  | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  |  | Increase Number of University Staff <sup>4</sup> (FTE)   | 0            | 0  | 0            | 0                                   |   |                                     |                             |  |
|                  |  | Library Enhancement <sup>4</sup> (\$)  | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  |  | Library Enhancement <sup>4</sup> (FTE)   | 0            | 0  | 0            | 0                                   |   |                                     |                             |  |
|                  |  | Technology Enhancement <sup>4</sup> (\$)   | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  |  | Technology Enhancement <sup>4</sup> (FTE)  | 0            | 0  | 0            | 0                                   |   |                                     |                             |  |
|                  | 5  | O&M for New Facilities <sup>4</sup> (\$)   | \$823,264    | \$0                                      | \$1,271,669  | \$0                                 |   |                                     |                             |  |
|                  |  | O&M for New Facilities <sup>4</sup> (FTE)  | 0            | 0  | 0            | 0                                   |   |                                     |                             |  |
|                  | 6  | Utility Cost Increase  | \$550,000    | \$0                                      | \$1,100,000  | \$0                                 |   |                                     |                             |  |
|                  |  | NGF share of state authorized salary increase/bonus  | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  | 7  | Fringe/health insurance benefits increase (5% NGF Share)   | \$45,524     | \$0                                      | \$76,252     | \$0                                 |   |                                     |                             |  |
|                  |  | VRS increase   | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  |  | Additional In-State Student Financial Aid From Tuition Revenue   | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  |  | Others (Specify, insert lines below)   | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  |  | Safety and Security Enhancement  | \$0          | \$0                                      | \$0          | \$0                                 |   |                                     |                             |  |
|                  |  | Total Additional Funding Need  | \$4,804,879  | \$0                                      | \$9,309,352  | \$0                                 |   |                                     |                             |  |

Notes:  
(1) Please ensure that these items are not double counted if they are already included in the incremental cost of the academic plan.  
(2) If planned, enter the cost of any institution-wide increase.  
(3) Enter planned annual faculty salary increase rate. Any salary increase entered here will be counted when calculating the gap to reach the 60th percentile in the future.  
(4) Enter number of FTE change over the FY2018 level in appropriate columns.  
(5) Agency 229 does not have "Tuition Revenue". Rather, this compensation program was made possible through internal reallocation strategies.

# Six-Year Plans - Part I (2017): 2018-20 through 2022-24

Institution Name

Attachment T

## Six-Year Financial Plan for Tuition and Fee Increases and Nongeneral Fund Revenue Estimates

| Items  | 2016-2017 (Estimated) |               | 2017-2018 (Estimated) |               |               | 2018-2019 (Planned) |               |               | 2019-2020 (Planned) |               |               |
|--|-----------------------|---------------|-----------------------|---------------|---------------|---------------------|---------------|---------------|---------------------|---------------|---------------|
|  | Student Charge        | Total Revenue | Student Charge        | Rate Increase | Total Revenue | Student Charge      | Rate Increase | Total Revenue | Student Charge      | Rate Increase | Total Revenue |
| <b>E&amp;G Programs</b>                                |                       |               |                       |               |               |                     |               |               |                     |               |               |
| Undergraduate, In-State                                | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Undergraduate, Out-of-State                            | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Graduate, In-State                                     | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Graduate, Out-of-State                                 | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Law, In-State  | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Law, Out-of-State                                      | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Medicine, In-State                                     | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Medicine, Out-of-State                                 | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Dentistry, In-State                                    | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Dentistry, Out-of-State                                | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| PharmD, In-State                                       | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| PharmD, Out-of-State                                   | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Veterinary Medicine, In-State                          | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Veterinary Medicine, Out-of-State                      | \$0                   | \$0           | \$0                   | %             | \$0           | \$0                 | %             | \$0           | \$0                 | %             | \$0           |
| Other NGF  |                       | \$16,703,000  |                       |               | \$16,520,000  |                     |               | \$16,520,000  |                     |               | \$16,520,000  |
| Total E&G Revenue - Gross                              |                       | \$16,703,000  |                       |               | \$16,520,000  |                     |               | \$16,520,000  |                     |               | \$16,520,000  |
| Total E&G Revenue - Net of Financial Aid               |                       | \$16,703,000  |                       |               | \$16,520,000  |                     |               | \$16,520,000  |                     |               | \$16,520,000  |
| E&G Revenue Used for Faculty Salary Increases          |                       | \$0           |                       |               | \$0           |                     |               | \$0           |                     |               | \$0           |
| Average T&R Faculty Salary Increase Rate               |                       | 0.00%         |                       |               | 0.00%         |                     |               | 0.00%         |                     |               | 0.00%         |
| <b>Auxiliary Program</b>                               |                       |               |                       |               |               |                     |               |               |                     |               |               |
| <b>Mandatory Non-E&amp;G Fees</b>                      |                       |               |                       |               |               |                     |               |               |                     |               |               |
| Undergraduate  | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Graduate   | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Law  | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Medicine   | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Dentistry  | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| PharmD   | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Veterinary Medicine                                    | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Total Auxiliary Revenue (ALL including room and board) |                       | \$0           |                       |               | \$0           |                     |               | \$0           |                     |               | \$0           |
| <b>Total Tuition and Fees</b>                          |                       |               |                       |               |               |                     |               |               |                     |               |               |
| Undergraduate, In-State                                | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Undergraduate, Out-of-State                            | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Graduate, In-State                                     | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Graduate, Out-of-State                                 | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Law, In-State  | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Law, Out-of-State                                      | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Medicine, In-State                                     | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Medicine, Out-of-State                                 | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Dentistry, In-State                                    | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Dentistry, Out-of-State                                | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| PharmD, In-State                                       | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| PharmD, Out-of-State                                   | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Veterinary Medicine, In-State                          | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| Veterinary Medicine, Out-of-State                      | \$0                   |               | \$0                   | %             |               | \$0                 | %             |               | \$0                 | %             |               |
| <b>Student Financial Aid (Program 108)</b>             |                       |               |                       |               |               |                     |               |               |                     |               |               |
| <b>Sponsored Programs (Program 110)</b>                |                       | \$0           |                       |               | \$0           |                     |               | \$0           |                     |               | \$0           |
| <b>Unique Military Activities</b>                      |                       | \$0           |                       |               | \$0           |                     |               | \$0           |                     |               | \$0           |
| <b>Workforce Development</b>                           |                       | \$0           |                       |               | \$0           |                     |               | \$0           |                     |               | \$0           |
| <b>Other (Specify)</b>                                 |                       | \$0           |                       |               | \$0           |                     |               | \$0           |                     |               | \$0           |

**Six-Year Plans - Part I (2017): 2018-20 through 2022-24****Institution Name****FINANCIAL AID PLAN**

**Note:** If you do not have actual amounts for *Tuition Revenue for Financial Aid* by student category, please provide an estimate. If values are not distributed for *Tuition Revenue for Financial Aid*, a distribution may be calculated for your institution.

**Allocation of Tuition Revenue Used for Student Financial Aid****2015-16 (Actual)**

| T&F Used for Financial Aid       | Gross Tuition Revenue | Tuition Revenue for Financial Aid (Program 108) | % Revenue for Financial Aid | Distribution of Financial Aid |
|----------------------------------|-----------------------|---|-----------------------------|-------------------------------|
| Undergraduate, In-State          | \$0                   | \$0   | %                           | \$0                           |
| Undergraduate, Out-of-State      | \$0                   | \$0   | %                           | \$0                           |
| Graduate, In-State               | \$0                   | \$0   | %                           | \$0                           |
| Graduate, Out-of-State           | \$0                   | \$0   | %                           | \$0                           |
| First Professional, In-State     | \$0                   | \$0   | %                           | \$0                           |
| First Professional, Out-of-State | \$0                   | \$0   | %                           | \$0                           |
| Total                            | \$0                   | \$0   | %                           | \$0                           |
| In-State Sub-Total               | \$0                   | \$0   | %                           | \$0                           |

**\*2016-17 (Estimated) Please see footnote below**

| T&F Used for Financial Aid       | Gross Tuition Revenue | Tuition Revenue for Financial Aid (Program 108) | % Revenue for Financial Aid | Distribution of Financial Aid |
|----------------------------------|-----------------------|---|-----------------------------|-------------------------------|
| Undergraduate, In-State          | \$0                   | \$0   | %                           | \$0                           |
| Undergraduate, Out-of-State      | \$0                   | \$0   | %                           | \$0                           |
| Graduate, In-State               | \$0                   | \$0   | %                           | \$0                           |
| Graduate, Out-of-State           | \$0                   | \$0   | %                           | \$0                           |
| First Professional, In-State     | \$0                   | \$0   | %                           | \$0                           |
| First Professional, Out-of-State | \$0                   | \$0   | %                           | \$0                           |
| Total                            | \$0                   | \$0   | %                           | \$0                           |
| Total from Finance-T&F worksheet | \$16,703,000          | \$0   | %                           |                               |
| In-State Sub-Total               | \$0                   | \$0   | %                           | \$0                           |

**2017-18 (Planned)**

| T&F Used for Financial Aid       | Gross Tuition Revenue | Tuition Revenue for Financial Aid (Program 108) | % Revenue for Financial Aid | Distribution of Financial Aid |
|----------------------------------|-----------------------|---|-----------------------------|-------------------------------|
| Undergraduate, In-State          | \$0                   | \$0   | %                           | \$0                           |
| Undergraduate, Out-of-State      | \$0                   | \$0   | %                           | \$0                           |
| Graduate, In-State               | \$0                   | \$0   | %                           | \$0                           |
| Graduate, Out-of-State           | \$0                   | \$0   | %                           | \$0                           |
| First Professional, In-State     | \$0                   | \$0   | %                           | \$0                           |
| First Professional, Out-of-State | \$0                   | \$0   | %                           | \$0                           |
| Total                            | \$0                   | \$0   | %                           | \$0                           |
| Total from Finance-T&F worksheet | \$16,520,000          | \$0   | %                           |                               |
| In-State Sub-Total               | \$0                   | \$0   | %                           | \$0                           |
| Additional In-State              | \$0                   | \$0   | %                           | \$0                           |

**2018-19 (Planned)**

| T&F Used for Financial Aid              | Gross Tuition Revenue | Tuition Revenue for Financial Aid (Program 108) | % Revenue for Financial Aid | Distribution of Financial Aid |
|---|-----------------------|---|-----------------------------|-------------------------------|
| Undergraduate, In-State                 | \$0                   | \$0   | %                           | \$0                           |
| Undergraduate, Out-of-State             | \$0                   | \$0   | %                           | \$0                           |
| Graduate, In-State                      | \$0                   | \$0   | %                           | \$0                           |
| Graduate, Out-of-State                  | \$0                   | \$0   | %                           | \$0                           |
| First Professional, In-State            | \$0                   | \$0   | %                           | \$0                           |
| First Professional, Out-of-State        | \$0                   | \$0   | %                           | \$0                           |
| Total                                   | \$0                   | \$0   | %                           | \$0                           |
| Total from Finance-T&F worksheet        | \$16,520,000          | \$0   | %                           |                               |
| In-State Sub-Total                      | \$0                   | \$0   | %                           | \$0                           |
| Additional In-State                     | \$0                   | \$0   | %                           | \$0                           |
| Additional In-State from Financial Plan |                       | \$0   | %                           |                               |

**2019-20 (Planned)**

| T&F Used for Financial Aid              | Gross Tuition Revenue | Tuition Revenue for Financial Aid (Program 108) | % Revenue for Financial Aid | Distribution of Financial Aid |
|---|-----------------------|---|-----------------------------|-------------------------------|
| Undergraduate, In-State                 | \$0                   | \$0   | %                           | \$0                           |
| Undergraduate, Out-of-State             | \$0                   | \$0   | %                           | \$0                           |
| Graduate, In-State                      | \$0                   | \$0   | %                           | \$0                           |
| Graduate, Out-of-State                  | \$0                   | \$0   | %                           | \$0                           |
| First Professional, In-State            | \$0                   | \$0   | %                           | \$0                           |
| First Professional, Out-of-State        | \$0                   | \$0   | %                           | \$0                           |
| Total                                   | \$0                   | \$0   | %                           | \$0                           |
| Total from Finance-T&F worksheet        | \$16,520,000          | \$0   | %                           |                               |
| In-State Sub-Total                      | \$0                   | \$0   | %                           | \$0                           |
| Additional In-State                     | \$0                   | \$0   | %                           | \$0                           |
| Additional In-State from Financial Plan |                       | \$0   | %                           |                               |

\* Please note that the totals reported here will be compared with those reported by the financial aid office on the institution's annual S1/S2 report. Since the six-year plan is estimated and the S1/S2 is "actual," the numbers do not have to match perfectly but these totals should reconcile to within a reasonable tolerance level. Please be sure that all institutional offices reporting tuition/fee revenue used for aid have the same understanding of what is to be reported for this category of aid.



## **Development of the 2018-2024 Six-Year Plan**

June 4, 2017

M. Dwight Shelton, Jr., VP for Finance and  
Chief Financial Officer



# Background

# Background

- **Six-Year Plan is a requirement of the Higher Education Opportunity Act of 2011 (HEOA)**
- **Based on the Commonwealth's goals and objectives for higher education**
- **Focuses on four key areas:**
  - Financial Aid for low and middle-income families
  - Optimal year-round use of facilities
  - Instructional resource sharing program with other institutions of higher education in Virginia
  - Enrollment growth and degree completion



# Components of Six-Year Plan

## 1. Academic plan

- Contains strategies that advance the university's strategic plan
- Provides support for the state's objectives in the HEOA

## 2. Financial Plan

- Estimated costs of academic strategies and other institutional cost drivers
- Identifies potential revenues and reallocations to resource the plan

## 3. Enrollment Plan

- SCHEV "2B" 6-year enrollment plan



# Six-Year Planning Process

- Six-Year plans aid state officials in understanding institutional resource needs
  - Board approval of initial submission at June meeting
  - Due to the State on July 1<sup>st</sup>
  - Serves as starting point for Executive Budget development
- July/August review by:
  - Secretaries of Education and Finance
  - Directors of Department of Planning and Budget (DPB) and SCHEV
  - Staff of House Appropriations and Senate Finance Committees
- September/October:
  - Suggestions from State and opportunity for university response
- November:
  - If necessary, final plan may be brought to November BOV meeting

# Six-Year Planning Process

- **Plans are to be approved by the Boards of Visitors**

- **Requirement in Code of Virginia, § 23-1-306:**

*A. The governing board of each public institution of higher education shall (i) develop and adopt biennially and amend or affirm annually a six-year plan for the institution; (ii) submit such plan to the Council, the General Assembly, the Governor, and the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance no later than July 1 of each odd-numbered year; and (iii) submit amendments to or an affirmation of that plan no later than July 1 of each even-numbered year or at any other time permitted by the Governor or General Assembly to the Council, the General Assembly, the Governor, and the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance. Each such plan and amendment to or affirmation of such plan shall include a report of the institution's active contributions to efforts to stimulate the economic development of the Commonwealth, the area in which the institution is located, and, for those institutions subject to a management agreement set forth in Article 4 (§ 23.1-1004 et seq.) of Chapter 10, the areas that lag behind the Commonwealth in terms of income, employment, and other factors.*

*B. The Secretary of Finance, the Secretary of Education, the Director of the Department of Planning and Budget, the Director of the Council, the Staff Director of the House Committee on Appropriations, and the Staff Director of the Senate Committee on Finance, or their designees, shall review each institution's plan or amendments and provide comments to the institution on such plan or amendments by September 1 of the relevant year. Each institution shall respond to any such comments by October 1 of that year.*

- **SCHEV has provided guidance that Board approval of plans can be done at the earliest possible Fall meeting**



# **2018-24 Academic Plan and Financial & Operating Plan**



# University Division



# Basis of University Plan

- Focuses initiatives to reflect university priorities
- Reflects enrollment growth plan
- Continues the state's traditional salary competitiveness program
- Plans for increased affordability through additional student financial aid
- Operating Budgets: reflects projected 2018-2020 state cost assignments, unavoidable cost increases, and fringe benefits





# Enrollment Plan

*Six-Year Enrollment Plan Submitted to SCHEV in May 2017*

*Headcount On/Off Campus*

| Student Group                          | Actual        | -----Projected----- |               |               |               |               |               |
|--|---------------|---------------------|---------------|---------------|---------------|---------------|---------------|
|  | Fall 2016     | Fall 2017           | Fall 2018     | Fall 2019     | Fall 2020     | Fall 2021     | Fall 2022     |
| Entering In-State Undergraduates       | 4,291         | 4,165               | 4,165         | 4,165         | 4,165         | 4,165         | 4,165         |
| Entering Out-of-State Undergraduates   | 1,581         | 2,100               | 2,100         | 2,100         | 2,100         | 2,100         | 2,100         |
| Continuing and Transfer Undergraduates | 19,919        | 20,474              | 21,284        | 21,516        | 21,903        | 22,006        | 22,014        |
| <b>Total Undergraduate</b>             | <b>25,791</b> | <b>26,739</b>       | <b>27,549</b> | <b>27,781</b> | <b>28,168</b> | <b>28,271</b> | <b>28,279</b> |
| Masters and Doctoral                   | 6,890         | 7,199               | 7,473         | 7,724         | 7,949         | 8,181         | 8,453         |
| Veterinary Medicine                    | 489           | 480                 | 480           | 480           | 480           | 480           | 480           |
| School of Medicine                     | 0             | 0                   | 168           | 168           | 168           | 168           | 168           |
| <b>Total Graduate</b>                  | <b>7,379</b>  | <b>7,679</b>        | <b>8,121</b>  | <b>8,372</b>  | <b>8,597</b>  | <b>8,829</b>  | <b>9,101</b>  |
| <b>Total Enrollment</b>                | <b>33,170</b> | <b>34,418</b>       | <b>35,670</b> | <b>36,153</b> | <b>36,765</b> | <b>37,100</b> | <b>37,380</b> |



# University Division -

## Academic Strategies

(\$ in millions)

| <b><u>Academic Initiatives</u></b>  | <b>2018-19</b> | <b>2019-20*</b> |
|---|----------------|-----------------|
| Increase Access for Virginia Undergraduates and Support the Production of STEM-H Degrees in the Commonwealth                          | \$ 8.3         | \$ 11.0         |
| Develop Destination Areas of Market-Centered Instruction and Research Clusters  | 3.6            | 7.4             |
| Advance Strategic Research Opportunities and Enhance Entrepreneurial and Innovation Ecosystem   | 5.0            | 10.0            |
| Support Faculty Startup Packages  | 2.0            | 4.0             |
| Ensure Access for Low and Middle-Income Families  | 2.1            | 4.1             |
| Expand Access and Completion through K-12 Pathways, Instructional Sharing, Student Advising, and Summer Session Student Financial Aid | 1.7            | 1.8             |
| Increase Graduate Enrollment in Strategic Areas   | 2.9            | 3.3             |
| Integrate Virginia Tech-Carilion School of Medicine as Ninth College of Virginia Tech   | 14.1           | 14.3            |
| Increase Support for Unique Military Activities   | 0.4            | 0.4             |
| Advance Institutional Efficiencies and Effectiveness  | 2.0            | 3.0             |
| <b>Subtotal Academic Initiatives</b>  | <b>\$ 42.1</b> | <b>\$ 59.3</b>  |

*\*2019-20 is cumulative of 2018-19 costs.*



# 2018-20 Financial and Operating Costs

(\$ in millions)

| <b><u>Finance &amp; Operating Initiatives</u></b>   | <b>2018-19</b> | <b>2019-20</b> |
|---|----------------|----------------|
| Increase Faculty Salaries                           | \$ 4.6         | \$ 13.3        |
| Increase Staff Salaries                             | 0.6            | 1.5            |
| Increase Number of Full-Time Faculty                | -              | 0.5            |
| Library Inflation                                   | 0.2            | 0.2            |
| O&M for New Facilities                              | 0.8            | 2.4            |
| Fixed Cost Increases                                | 0.9            | 1.7            |
| Fringe/Health Insurance Increases                   | 3.4            | 5.7            |
| Additional Financial Aid for In-State Students      | 0.2            | 0.3            |
| Annualization of Prior Year Costs                   | 0.8            | 0.8            |
| <b>Subtotal Financial and Operating Initiatives</b> | <b>\$ 11.5</b> | <b>\$ 26.4</b> |

*\*2019-20 is cumulative of 2018-19 costs.*



# University Division - Summary

\$ in millions

|                                     | 2018-19 | 2019-20 |
|-------------------------------------|---------|---------|
| Academic Initiatives*               | \$ 42.1 | \$ 59.3 |
| Financial and Operating Initiatives | \$ 11.5 | \$ 26.4 |

- Represent total cost of all initiatives supported by either General Fund, Nongeneral Funds, or reallocations.
- Larger than previous plan due to integration of the Virginia Tech Carilion School of Medicine and its offsetting resources.

*\*2019-20 is cumulative of 2018-19 costs.*



# University Division - Nongeneral Fund Revenue Estimate

- Key components are tuition and fee revenue estimates by degree level and residency for first biennium of plan
- Based on official “2B” enrollment plan submitted to state
- Six-Year plan does not recommend or commit to specific set of rates. Tuition and fee rates remain authority of Board of Visitors
- Tuition and Fee figures are **planning placeholders** that begin a discussion about how the university and commonwealth can partner to advance goals



# University Division - Nongeneral Fund Revenue Estimate

Tuition % Increase Placeholder

|               | <u>2018-19</u>  |                    | <u>2019-20</u>  |                    |
|---------------|-----------------|--------------------|-----------------|--------------------|
|               | <u>Resident</u> | <u>Nonresident</u> | <u>Resident</u> | <u>Nonresident</u> |
| Undergraduate | 2.9             | 2.9                | 2.9             | 2.9                |
| Graduate      | 2.9             | 2.9                | 2.9             | 2.9                |
| Vet Med       | 2.0             | 2.0                | 2.0             | 2.0                |
| Medicine      | N/A             | N/A                | 3.5             | 3.5                |



# University Division Financial Plan Summary

(\$s in millions)

- Plan is not balanced
  - Projected expenses exceed projected NGF revenue
  - State General Fund support needed to fully implement all envisioned strategies

| Uses                      | 2018-19       | 2019-20       |
|---------------------------|---------------|---------------|
| Academic Initiatives      | \$ 42.1       | \$59.3        |
| Operating Need            | 11.5          | 26.4          |
| <hr/> Total               | <hr/> \$ 53.6 | <hr/> \$ 85.7 |
| <br>Sources               |               |               |
| NGF Revenue Estimate      | \$ 41.7       | 60.6          |
| Internal Reallocations    | 0.7           | 3.9           |
| <hr/> Implicit GF Request | <hr/> \$11.2  | <hr/> \$21.2  |

*\*2019-20 is cumulative of 2018-19 costs.*



# **Virginia Cooperative Extension & Virginia Agricultural Experiment Station Division (VCE/VAES)**





## Virginia Cooperative Extension & Virginia Agricultural Experiment Station

- Major cost drivers in plan include:
  - Investing in statewide Agricultural & Natural Resources Initiative
  - Enhancing the compensation competitiveness of Cooperative Extension Agents
- State General Fund support is required to fully implement any planned strategies
- Agency has limited ability to increase NGF revenues
  - **Federal and local funding environments** will continue to be very challenging
  - **No tuition revenue** to supplant General Fund support



# Virginia Cooperative Extension & Virginia Agricultural Experiment Station

Academic Strategies  
(\$ in millions)

| Academic Initiatives  | 2018-19       | 2019-20       |
|---|---------------|---------------|
| Advance the Commonwealth's Agricultural & Natural Resources Competitiveness | \$ 2.5        | \$ 5.0        |
| Enhance the Compensation Competitiveness of Extension Agents                | 0.8           | 1.7           |
| <b>Subtotal Academic Initiatives</b>  | <b>\$ 3.3</b> | <b>\$ 6.7</b> |

| Financial and Operating Initiatives                 | 2018-19       | 2019-20       |
|---|---------------|---------------|
| Increase Faculty and Staff Salaries                 | 0.1           | 0.1           |
| O&M of New Facilities                               | 0.8           | 1.3           |
| Utility Cost Increases                              | 0.5           | 1.1           |
| Fringe/Health Insurance Increases                   | 0.1           | 0.1           |
| <b>Subtotal Financial and Operating Initiatives</b> | <b>\$ 1.5</b> | <b>\$ 2.6</b> |

*\*2019-20 is cumulative of 2018-19 costs.*



# CE/AES Division

## Financial Plan Summary

(\$ in millions)

- Virginia Cooperative Extension & Virginia Agricultural Experiment Station division's plan is not balanced – projected expenses exceed projected NGF revenue.
- State General Fund support needed to fully implement all envisioned strategies.

### Uses

|                      | <b>2018-19</b> | <b>2019-20</b> |
|----------------------|----------------|----------------|
| Academic Initiatives | \$ 3.3         | \$ 6.7         |
| Operating Need       | 1.5            | 2.6            |
| <b>Total</b>         | <b>\$ 4.8</b>  | <b>\$ 9.3</b>  |

### Sources

|                            |               |               |
|----------------------------|---------------|---------------|
| NGF Revenue Estimate       | \$ 0.0        | \$ 0.0        |
| Internal Reallocations     | 0.0           | 0.0           |
| <b>Implicit GF Request</b> | <b>\$ 4.8</b> | <b>\$ 9.3</b> |

*\*2019-20 is cumulative of 2018-19 costs.*

# University Summary

- **Increasing access**, degrees, and research in Destination Areas are the primary academic goals of the university.
- In order to accomplish these goals, the university will:
  - **Attract and retain the best and brightest faculty**, requiring competitive compensation that rewards performance
  - **Work with state officials to increase support for university priorities** that enhance the economic opportunities of Virginia and leverage the capabilities of the university
  - **Identify reallocation and cost containment opportunities and operating support** to address increasing costs and academic plan implementation
  - **Enhance access and affordability**, especially for lower income Virginians



# Next Steps

## June

- Board Review and Approval the Six-Year Plan

## July 1

- Plans due to the state

## August

- University presents plan to “Op-Six” group

## September/October

- Receive feedback from state
- University responds to state suggestions

## November

- If necessary, plan will return to Board for review



# Questions ?