

Virginia Tech Board of Visitors Meeting

April 21, 2011

[Minutes](#)

[Attachment A](#): Resolution for Approval of Tuition and Fee Rates for 2011-2012

[Attachment B](#): Presentation on 2011-2012 Tuition and Fee Recommendation

MINUTES
April 21, 2011

The Executive Committee of the Board of Visitors of Virginia Polytechnic Institute and State University met on Thursday, April 21, 2011, at 9:00 a.m. in the Jefferson Board Room at the Hotel Roanoke in Roanoke, Virginia

Present

Mr. Michael Anzilotti
Ms. Beverley Dalton
Ms. Michele L. Duke
Mr. Douglas Fahl
Mr. George Nolen (Rector)

Absent

Ms. Sandra Stiner Lowe

Also present were President Charles Steger; Ms. Kay Heidbreder, Esq.; Mr. Dwight Shelton; Dr. Mark McNamee; Ms. Kim O'Rourke; Ms. Natalie Hart; Mr. Larry Hincker; Mr. Tim Hodge; and four members of the media.

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Rector Nolen convened the meeting.

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Motion to begin Closed Session

At approximately 9:05 a.m., Ms. Duke moved that the Executive Committee convene in a closed meeting, pursuant to § 2.2-3711(A)(10), Code of Virginia, as amended, for the purpose of discussing:

- Briefing on probable litigation.

The motion was seconded by Mr. Anzilotti, and the motion passed unanimously.

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Motion to Return to Open Session

Following the Closed Session, Rector Nolen called the meeting to order and asked Ms. Duke to make the motion to return to open session.

Ms. Duke made the following motion:

WHEREAS, the Executive Committee of the Board of Visitors of Virginia Polytechnic Institute and State University has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Board of Visitors that such closed meeting was conducted in conformity with Virginia law;

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

The motion was seconded by Mr. Anzilotti, and the motion passed unanimously.

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Tuition and Fees for AY 2011-12

Mr. Shelton, Vice President for Finance and Chief Financial Officer, provided a detailed explanation of the proposed tuition and fee rates package for 2011-12, including the accompanying schedules (copy filed with the permanent minutes and marked Attachment A). Using a PowerPoint presentation (copy filed with the permanent minutes and marked Attachment B), he discussed the status of university funding, student financial aid, development of the proposed 2011-12 tuition and fee package, and benchmarking information in relation to Virginia Tech's peer schools. As the university increases tuition, it also increases the amount of financial aid available to students. He called the Committee's attention to page 8 of the narrative and pointed out that the proposed non-resident tuition and mandatory E&G fees are 132 percent of the Average Cost of Education, and thus are in compliance with state tuition policy, which mandates that non-residents pay at least 100 percent of the Average Cost of Education.

In the ensuing discussion, Rector Nolen noted that Virginia Tech has experienced significant budget reductions, but regarded it as a good sign that the Governor and General Assembly have recognized the impact on higher education and begun to address the problem. The \$3.4 million provided to Virginia Tech for 2011-12 is a positive step that must be continued. While raising tuition and fees is never desirable, the proposed increase keeps Virginia Tech in the same relative position when compared with tuition and fees at peer institutions that are facing similar economic challenges. Virginia Tech is now recognized for its very high quality and remains a good value, but it is important to ensure that tuition and fees are affordable for Virginians. For 2011-12, in-state undergraduates will pay approximately 55 percent of the cost of education.

President Steger noted that the university is pursuing an ongoing program to improve efficiencies and reduce costs. For example, the university has reduced energy consumption significantly, and there are a number of automation projects underway to reduce administrative costs.

In response to a question about financial aid, Mr. Shelton responded that approximately half of Virginia Tech's students (undergraduate and graduate) receive some type of financial aid for a total of about \$359 million annually, which includes grants, scholarships, waivers, loans, and employment. The "Funds for the Future" program that was begun following the passage of the Restructuring Act in 2005 provides protection from tuition increases on a sliding scale from 100 percent protection (no tuition increase) for a student with family income below \$30,000 to 10 percent protection for a student with family income of \$99,999.

(See http://www.finaid.vt.edu/types_of_aid/waivers/funds-for-the-future/index.html.)

Rector Nolen reiterated the need to continue to look for improved efficiencies and cost savings and stated that increasing financial aid is critical.

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A motion was made by Mr. Anzilotti, seconded by Ms. Dalton, and approved unanimously by the Executive Committee on behalf of the full Board:

**Resolution to Approve
Tuition and Fee Rates for 2011-12**

That the proposed tuition and fee rates for 2011-12 be approved, effective Fall Semester 2011. (Copy filed with the permanent minutes and marked Attachment A.)

Note: As stipulated in the By-laws of the Board of Visitors of Virginia Polytechnic Institute and State University, Article 1, Section 6a:

[The Executive] Committee, in the interim between meetings of the Board, has full power to take actions on behalf of the Board. All actions taken by the Executive Committee are subject to ratification by the full Board at its next meeting.

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The date for the next full Board meeting is June 6, 2011, at the Virginia Tech campus.

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The meeting adjourned at 10:55 a.m.

George Nolen, Rector

Kim O'Rourke, Secretary

Proposed Tuition and Fee Rates for 2011-12

EXECUTIVE COMMITTEE

April 21, 2011

Development of 2011-12 Tuition and Fee Rates

The university has traditionally developed tuition and fee proposals in February and March of each year, with final rates submitted to the Board of Visitors in late March or April. This process allowed the university to incorporate into the tuition and fee proposals the impact of legislative actions taken during the General Assembly session. Finalizing these rates helps students plan for the financial costs of the upcoming academic year, helps students make decisions such as attendance at summer school, and allows the University Scholarships and Financial Aid Office to deliver timely and effective financial aid award information to current and prospective students.

At the March 28, 2011 Board of Visitors meeting, the Board received an update on the status of the General Assembly and development of the 2011-12 tuition and fees. At the time materials were submitted for that meeting, the university was working to fully understand all of the budget actions proposed by the Conference Committee of the General Assembly which impacted higher education. As a result of the limited time available and the status of the proposed state budget, the university was unable to finalize tuition and fee recommendations at that time. Subsequently, the state budget was finalized during the reconvened Session on April 6, 2011. The university has now gained a sufficient understanding of the state's final budget actions along with the major internal budget commitments that should be made for fiscal year 2012 and recommend the following 2011-12 tuition and fee package to the Board for approval.

Tuition

History of Tuition Legislation in Virginia

The period of 1989 to 2010 was one of significant change in the level of state support, tuition policies and rates. The substantial growth in tuition continues to be a source of increasing concern to institutions of higher education, students, parents, and state officials.

During the period of 1989 to 1996, tuition increased dramatically across the Commonwealth due to the decline in General Fund support for higher education. At Virginia Tech, undergraduate tuition increased by 49 percent for resident students and 91 percent for nonresident students in the six-year period 1989-90 to 1995-96, a direct result of six rounds of reductions in state General Fund support.

In 1994 the Appropriation Act included language which established tuition rate growth caps of three percent for resident students and 7.5 percent for nonresident students for each year of the biennium. For 1996-97 through 1998-99, the Appropriation Act included language to freeze tuition for Virginia undergraduates at the 1995-96 level. The 1999 General Assembly approved a 20 percent reduction in tuition and mandatory Educational and General fees for Virginia undergraduate students and offset the reduction in revenue by providing new General Fund support. The 2000 Appropriation Act included language to continue tuition and mandatory Educational and General fees at 1999-00 levels for Virginia undergraduate students during the 2000-02 biennium.

To address state revenue shortfalls, language in the 2002 Appropriation Act provided authority to increase tuition and mandatory Educational and General fees for Virginia undergraduate students by nine percent. The 2003 General Assembly allowed for the annualization of the Spring 2003 tuition increases and limited increases in tuition and mandatory Educational and General fees for Fall 2003 for Virginia undergraduate students to five percent plus nongeneral fund cost assignments.

The authority granted by the 2004 General Assembly continues for 2011-12 and establishes that “The Board of Visitors . . . of institutions of higher education may set tuition and fee charges at levels they deem to be appropriate for all resident student groups based on, but not limited to, competitive market rates, provided that the total revenue generated by the collection of tuition and fees from all students is within the nongeneral fund appropriation for educational and general programs provided in the act.”

Effective July 1, 2006, the university entered into a management agreement with the Commonwealth of Virginia. A critical element of this agreement is the reaffirmation of the Board of Visitors’ authority to establish tuition and fee rates. This rate setting authority, coupled with the sum sufficient revenue authority to establish nongeneral fund appropriations as provided in the management agreement, provides a much more stable environment for planning and establishment of future tuition and fee rates.

For 2007-08, the 2007 General Assembly established a Tuition Incentive for allocation to institutions contingent upon limiting the increase of tuition and E&G fees for in-state undergraduate students to six percent plus in-state undergraduate financial aid. The 2008 General Assembly continued the incentive fund concept to encourage institutions to limit the in-state undergraduate tuition and E&G fee increases to three percent for E&G operations and one percent for student financial aid in 2008-09.

Language included in the 2009 budget, and continued in 2010, reiterated the intent of the federal American Recovery and Reinvestment Act of 2009 (ARRA) to “mitigate the need to raise tuition on in-state students at public colleges and universities.” As a result of this Act, the University division received over \$11 million in funding in 2009-10. This funding came along with an understanding, expressed verbally by state budget-writers, that higher education institutions would use ARRA funding to mitigate the need to increase tuition to Virginia residents beyond five percent.

The Governor's Commission on Higher Education, Reform, Innovation, and Investment introduced the Higher Education Opportunity Act of 2011 at the start of the 2011 General Assembly. This legislation includes a new funding model which will limit total tuition revenue in the future, based on several input factors, but no immediate impact is expected to the University. While this legislation retained the Board of Visitors authority to establish tuition and fee rates, some concerns continue to be expressed at the state level regarding the percentage increase for resident students.

Tuition

The university would normally utilize the two scenarios of the Six-Year Financial Plans that are developed in accordance with state guidelines and approved by the Board as the framework for the development of tuition and E&G fees, based on the level of General Fund support provided by the General Assembly. However, the volatility of the economy, reductions in current and future state support, and the elimination of federal stimulus funding has temporarily superseded the traditional development process. In 2011-12, General Fund support for the University Division will be reduced \$16 million. This reduction is compounded by the expiration of \$21 million in federal stimulus funding, creating a "funding cliff" for the coming year of \$37 million. As a result, the university has worked to develop tuition rates that balance these criteria.

The annual rates proposed for 2011-12 are shown below:

Full-Time Students

	<u>2010-11 Charge *</u>	<u>Proposed 2011-12</u>
<u>Undergraduate</u>		
Resident	\$ 8,055	\$ 8,852
Nonresident	21,114	22,254
<u>Graduate</u>		
Resident On-Campus	9,399	10,048
Nonresident On-Campus	17,854	19,497
Resident Off-Campus	10,406	11,124
Nonresident Off-Campus	19,141	20,902

* 2010-11 tuition rate restated to consolidate the tuition and academic fee thereby streamlining and eliminating the academic fee in 2011-12.

The semester rates equal one-half of the annual rates.

Part-Time Students

Part-time tuition charges for all student categories are derived from the full-time rate and are directly related to the number of credit hours taken. For tuition calculation purposes, the full-time undergraduate semester rate is divided by 12 credit hours and the full-time

graduate student semester rate is divided by nine hours. The proposed per hour charges for 2011-12 are:

	<u>2010-11 Charge *</u>	<u>Proposed 2011-12</u>
<u>Undergraduate</u>		
Resident	\$335.75/hour	\$368.75/hour
Nonresident	879.75/hour	927.25/hour
<u>Graduate</u>		
Resident On-Campus	522.25/hour	558.25/hour
Nonresident On-Campus	992.00/hour	1,083.25/hour
Resident Off-Campus	578.00/hour	618.00/hour
Nonresident Off-Campus	1063.50/hour	1,161.25/hour

* 2010-11 tuition rate restated to consolidate the tuition and academic fee thereby streamlining and eliminating the academic fee in 2011-12.

Veterinary Medicine

When the Virginia-Maryland Regional College of Veterinary Medicine was formed, the two states agreed to provide equal contributions (per student) to the instructional operating budget. It was also agreed that both Virginia and Maryland students would pay the same resident tuition rate. The tuition agreement has been sustained since the first class was admitted. Until 1996-97 only residents of Virginia and Maryland were admitted for study in the professional veterinary medicine curriculum.

Effective for the Fall 1996, the enrollment policy was modified to admit 10 nonresident students (i.e. non-Virginia and non-Maryland residents) per year until fully implemented in the Fall of 1999. This resulted in a total enrollment of 40 nonresident students. This change did not affect the enrollment totals for Virginia or Maryland. Effective for Fall 2009, the enrollment policy was modified again to admit five additional nonresident students per year until fully implemented in the Fall of 2012.

Each year the tuition proposal is reviewed with the Virginia-Maryland Regional College of Veterinary Medicine Budget and Program Review Board (established to review the college's budget and comprised of representatives from Virginia Tech and the University of Maryland). The university, in conjunction with the Budget and Program Review Board, proposes to increase the tuition rates for all veterinary medicine students for 2011-12. The current and proposed annual tuition rates are displayed below:

	<u>2010-11 Charge *</u>	<u>Proposed 2011-12</u>
Virginia-Maryland Students	\$16,741	\$17,444
Nonresident Students	39,201	40,847

* 2010-11 tuition rate restated to consolidate the tuition and academic fee thereby streamlining and eliminating the academic fee in 2011-12.

Special Tuition Rates

Special Tuition Rate for Elementary and Secondary School Personnel

The original policy regarding special tuition rates for elementary and secondary school personnel was approved in 1984 and allowed public school teachers to attend graduate classes at Virginia Tech on a reduced tuition schedule for purposes of recertification. Recertification is a statewide requirement that can strengthen the total education system. The original policy underscored the university's commitment to improving the quality of elementary and secondary education through the continued education of elementary and secondary school teachers.

In January 1989 the Board of Visitors approved a revised policy. Teachers, counselors, administrators, and supervisors employed by elementary and secondary school systems in the Commonwealth of Virginia may enroll in graduate classes, both on-campus and at off-campus locations, and pay approximately 60 percent of the authorized tuition rate. The Board of Visitors also expanded the policy in two ways. First, all elementary and secondary school personnel are now eligible for the reduced tuition rate. Second, all graduate hours qualify for the plan, not just recertification hours. Further, elementary and secondary school personnel may enroll in an unlimited number of graduate courses for the purpose of recertification or for an advanced degree.

In February 1999 the Board of Visitors approved an expansion of the special tuition rate to include undergraduate-level courses for vocational teachers who do not have a bachelor's degree.

The special instructional fees for elementary and secondary school personnel are 60 percent of the corresponding on-campus rates. The following table shows the proposed special rates per credit hour for 2011-12 Virginia residents:

	2010-11 <u>Charge *</u>	Proposed <u>2011-12</u>
Undergraduate	\$201.00/hour	\$221.00/hour
Graduate	313.00/hour	335.00/hour

* 2010-11 tuition rate restated to consolidate the tuition and academic fee thereby streamlining and eliminating the academic fee in 2011-12.

Special Tuition Rate for Study-Abroad Programs

Providing the opportunity for students to study abroad is an important strategy in strengthening the international programs of Virginia Tech. The Board of Visitors has previously approved a special tuition rate for students who participate in the various study-abroad programs operated by the university. The special tuition rate reflects instructional services that all students receive, but excludes the cost of on-campus services.

In 2008-09 the study abroad rate was 80 percent of the on-campus tuition rates. The university proposes to continue the special tuition rate for study-abroad programs. Consistent with prior years, the special tuition rate for study abroad would not apply for students studying at the Center for European Studies and Architecture. The following table shows the proposed special rates per credit hour for 2011-12:

	<u>2010-11 Charge *</u>	<u>Proposed 2011-12</u>
Undergraduates		
Resident	\$269.00/hour	\$295.00/hour
Nonresident	704.00/hour	742.00/hour
Graduates		
Resident	418.00/hour	447.00/hour
Nonresident	794.00/hour	867.00/hour

* 2010-11 tuition rate restated to consolidate the tuition and academic fee thereby streamlining and eliminating the academic fee in 2011-12.

Educational and General Fees

Academic Fee

To meet the Board's identified priority of supporting the Educational and General program of the institution, an academic fee was established in 2004-05 for all students. The revenue was allocated to support the academic quality of the university's Educational and General program. For 2011-12 the university recommends that this fee be included in the tuition rate for 2011-12. While this change is a cost neutral transaction to students, it helps the university promote administrative efficiency and simplified student billing.

	<u>2010-11 Charge Annual Fee</u>	<u>Proposed 2011-12 Annual Fee</u>
Full-time		
Regular	\$ 616.00	N/A
Virginia School Personnel	369.75	N/A
Study Abroad	492.75	N/A
Part-time		
Regular	308.00	N/A
Virginia School Personnel	185.00	N/A

Technology Service Fee

In accordance with the language in the 1998 Appropriation Act, the university implemented an Educational and General technology service fee effective with the 1998 fall semester. The fee is currently \$43 per academic year. Part-time students pay half the full-time rate. The technology fee is paid by all students. An increase in the technology service fee of \$4 is recommended for 2011-12. For 2011-12, the technology fee will be \$47 or \$23.50 per semester for full-time students.

Capital and Equipment Fee

The 2003 General Assembly required the establishment of a capital fee to be assessed to all nonresident students at institutions of higher education for 2003-04 to pay a portion of the debt service on bonds issued under the 21st Century Program. The 2004 General Assembly increased the nongeneral fund portion of lease payments for the 2004-06 allocation of equipment under the Higher Education Equipment Trust fund and stipulated the source of the nongeneral funds be an increase in fees for nonresident students at public institutions of higher education starting in 2005-06. The General Assembly increased the amount of debt service on bonds to be funded by nonresident students in 2007 and again in 2009. The 2010 General Assembly further increased the amount of debt service on bonds to be funded by nonresident students by \$1.4 million, or 57 percent, beginning in 2010-11. As a result, the capital and equipment fee for 2010-11 was increased to cover the debt service mandated by the 2010 General Assembly.

For 2011-12, the annual capital and equipment fee will remain \$569, or \$284.50 per semester for full-time students. Part-time students pay one-half the full-time rate. The capital and equipment fee will be paid by all nonresident students.

Average Cost of Education

The Commonwealth of Virginia has a well-established methodology for computing the per student educational cost for colleges and universities. This process identifies the average educational cost for all undergraduate and graduate students, including part-time and full-time students taking classes at both on-campus and off-campus locations. The Average Cost of Education does not include specialized programs such as veterinary medicine.

Until 2004, the Average Cost of Instruction was utilized as the measure of per student instructional cost. The Average Cost of Instruction identified the instructional cost components within the Educational and General appropriation and computed an average instructional cost.

In 2004, a new state policy replaced the Average Cost of *Instruction* with the Average Cost of *Education*. The Average Cost of Education is the instructional funding need generated by the base budget adequacy model. The Average Cost of Education is not comparable to the Average Cost of Instruction due to the differences in methodology.

The Average Cost of Education now serves as the basis for insuring that nonresident undergraduate and graduate students cover at least 100 percent of the average cost of their education as the General Assembly instructed colleges and universities in the 1991 legislative session. Nonresident tuition and mandatory E&G fee rates for the upcoming academic year are examined against the Average Cost of Education in the prior year to insure they cover 100 percent of the Average Cost of Education. Commonwealth policy continues to allow the university to recover the full cost from nonresidents as a group.

Since the State Council of Higher Education for Virginia does not compute the Average Cost of Education until July, the following table presents Virginia Tech's estimate of the Average Cost of Education and coverage percentages by student category for 2011-12. The Average Cost of Education is estimated to be \$16,208. The proposed Virginia Tech nonresident tuition and mandatory E&G fees are 132 percent of the Average Cost of Education and are in compliance with state tuition policy. Average percentages by individual student category are as follows:

	<u>Amount*</u>	<u>% of Average</u>
Average Cost of Education	\$16,208	
<u>Undergraduates</u>		
Residents	8,899	55%
Nonresidents	22,329	138%
<u>Graduates</u>		
Residents	10,113	62%
Nonresidents	19,548	121%
<u>Residency</u>		
Residents		56%
Nonresidents		132%

*Amount includes proposed tuition and technology fee for 2011-12 (the nonresident capital and equipment fee is not comparable to the Average cost of Education).

Excess Credit Hour Surcharge

The 2006 General Assembly (§ 23-7.4F Code of Virginia) required the establishment of a surcharge to be assessed to all resident undergraduate students beginning in the semester after 125 percent of credit hours required for baccalaureate degrees have been completed.

This applies to students entering on or subsequent to August 1, 2006. The surcharge amount is the difference between the Average Cost of Education and the in-state undergraduate tuition and mandatory E&G fees. In effect, the surcharge requires the student to pay the Average Cost of Education once they have exceeded 125 percent of degree requirements.

The following is the actual 2010-11 surcharge amount and an estimated surcharge amount for 2011-12 based on Virginia Tech's estimate of the Average Cost of Education for 2011-12 and the proposed 2011-12 tuition and mandatory E&G fees included in this package.

	2010-11 Charge	Estimated 2011-12
Average Cost of Education	\$ 15,866	\$16,208
In State Undergraduate Tuition and E&G Fees	8,098	8,899
Surcharge-Annual	7,768	7,309
Surcharge Per Credit Hour	323	305

Comprehensive Fee

In 2010-11, students attending Virginia Tech paid a Comprehensive Fee totaling \$1,491 to support six different services. The Student Activity Fee, the Health Service Fee, the Athletic Fee, the Bus Fee, the Recreational Sports Fee, and the Student Services Fee are consolidated into one fee in order to streamline the process for collecting and accounting for these charges. The \$1,491 per student fee is the lowest Comprehensive Fee charged by any four-year institution in Virginia. Comprehensive fees at the other five doctoral institutions range from \$1,848 to \$4,570. Individual descriptions and recommended amounts for 2011-12 are given below for each component of the Comprehensive Fee.

Student Activity Fee

Full-time students currently pay \$373 annually for the Student Activity Fee, which covers the debt retirement, maintenance and operation of the student centers, and supports student activities as determined by the Student Budget Board. Part-time students pay one-half of this fee. A \$38 increase in the Student Activity Fee is recommended for 2011-12 to cover personnel costs, adjustments to fringe benefits, increased utility costs, university cost allocations, facility and maintenance costs, a realignment of student affairs costs, an increase in student budget board funding, and

operating support for the Center for the Arts. If approved, the current \$373 per year charge will be replaced by a \$411 annual, or \$205.50 per semester, charge in the 2011-12 academic year.

Health Service Fee

Full-time students currently pay \$326 per year for normal medical and nursing attention and counseling services provided by Schiffert Student Health Services, Cook Counseling Center, and Virginia Tech Rescue Squad operations. Part-time students may elect to pay the fee for health service coverage. A \$20 increase in the Health Service Fee is recommended for 2011-12 to cover personnel costs, adjustments to fringe benefits, increased utility costs, university cost allocations, technical realignment of student affairs costs, facility improvements, debt service cost for facility improvement, personnel services costs for additional Cook Counseling Center staff, and operating and equipment needs of the Virginia Tech Rescue Squad. If approved, the current \$326 per year charge will be replaced by a \$346 annual, or \$173.00 per semester, charge in the 2011-12 academic year.

Athletic Fee

Full-time students currently pay \$257 per year, or \$128.50 per semester, to support a portion of the athletic program operations. Part-time students may elect to pay the Athletic Fee. A \$3 increase in the Athletic Fee is recommended for 2011-12 to cover adjustments to facility and maintenance costs and Student Athlete Academic Services Support. The student fee revenue covers the costs of athletic administration and sponsoring intercollegiate varsity sports that do not generate revenue. This fee entitles students to free admissions into sporting events, while recognizing that student seating is limited thus not guaranteed. If approved, the current \$257 per year charge will be replaced by a \$260 annual, or \$130 per semester, charge in the 2011-12 academic year.

Bus Fee

Students enrolled at Virginia Tech have unlimited access to bus transportation provided by the Blacksburg Transit System through a contract the university negotiates with the Town of Blacksburg each year. In the current year, students pay \$104 per year, or \$52 per semester for unlimited ridership. Part-time students pay one-half of the fee. An estimated 3 million student trips on the Blacksburg Transit will occur in 2011-12. In addition to the convenience for students, the bus system saves the university considerable resources by lowering requirements for on-campus parking. No increase in the Bus Fee is recommended for 2011-12.

Recreational Sports Fee

Full-time students currently pay \$236 annually for the Recreational Sports Fee, which supports debt retirement, maintenance, operations, intramural and extramural sports club programs, and recreational activities. Part-time students pay one-half of the full-

time fee. A \$22 increase in the Recreational Sports Fee is recommended for 2011-12 to cover personnel costs, adjustments to fringe benefits, increased utility costs, facility maintenance, university cost allocations, a realignment of student affairs costs, an increase in student sports clubs funding, as well as operating, wages, and debt service costs for facility expansion and improvements. If approved, the current \$236 per year charge will be replaced by a \$258 annual, or \$129.00 per semester, charge in the 2011-12 academic year.

Student Services Fee

Full-time students currently pay \$195 annually for the Student Services Fee, which supports the debt retirement, operation, and maintenance of the Career Services facility; non self-supporting student services components of the Hokie Passport Office, including the cost of new student IDs; the Office of Student Conduct; and the cost of maintaining the campus wireless network.

A \$24 increase is recommended for the Office of Student Conduct, formerly the Office of Judicial Affairs, to cover a realignment of program support. This realignment transitions funding responsibility from the room fee to the student services fee for operating and personnel costs associated with student conduct programs.

A \$4 increase is recommended for Career Services to cover personnel costs, adjustments to fringe benefits, increased utility costs, facility maintenance, a realignment of administrative support, and university cost allocations. An \$8 increase is recommended for the wireless network component to cover adjustments to fringe benefits, telecommunications network infrastructure improvements, and university cost allocations. If approved, the current Student Services Fee of \$195 will be replaced with a \$231 annual, or \$115.50 per semester, fee in the 2011-12 academic year. Part-time students would pay one-half of this fee.

Summary of Comprehensive Fee

	2010-11 Charge <u>Annual Fee</u>	Proposed 2011-12 <u>Annual Fee</u>
Student Activity Fee	\$ 373	\$ 411
Health Service Fee	326	346
Athletic Fee	257	260
Bus Fee	104	104
Recreational Sports Fee	236	258
Student Services Fee	<u>195</u>	<u>231</u>
Total	1,491	1,610

Room and Board Charges

The University's Residential and Dining Programs serve students by providing on-campus housing and dining services. Generally, all entering freshmen must live on campus, and housing is available on a limited basis for returning students who choose to live on campus at the fee approved by the Board of Visitors. The university establishes optional room and board rates based on a derivation of the Board-approved fee and to appropriately reflect costs for Summer Session and summer conferences. All students living on campus must select a meal plan, with the exception of students who elect to reside in the planned Oak Lane – Phase IV housing development; off-campus students may elect to participate in one of the meal plan programs.

Virginia Tech has the lowest combined average room and board fees in the Commonwealth for 2010-11 at \$6,290 per student. Average room and board fees at the other five doctoral institutions range from \$7,902 to \$8,684. Individual descriptions and suggested amounts for 2011-12 are given below for each of the programs.

Room Fees

A 13.2 percent increase in the rate structure is proposed to cover personnel costs, adjustments to fringe benefits, increased utility costs, technical realignment of student affairs costs, university cost allocations, personnel services costs for residential learning coordinators, the maintenance of facilities, and debt service and planning costs for major facility renovation projects and improvements. The dollar increase will range from \$454 per year to \$918 per year for undergraduate and graduate housing.

Included within the dormitory rate is a \$309 charge for the university's telecommunication system. Since 1988, voice, video, and data services have been provided for all dormitory residents. No increase in the telecommunications portion of the room fee is proposed for 2011-12. The proposed room rates by location and room type are listed below:

	<u>2010-11 Charge Annual Fee</u>	<u>Proposed 2011-12 Annual Fee</u>
Upper Quad	\$3,426	\$3,880
Lower and Prairie Quad	3,654	4,138
Cochrane Hall	4,556	5,158
Special Purpose	4,570	5,174
Payne Park		
Traditional - Single	5,512	6,240
Traditional - Double	4,026	4,558
Suite - Single	6,708	7,594
Suite - Double	4,856	5,498
Large Suite - Double	4,974	5,632

East Ambler Johnston Residential College		
Traditional – Double	NA	5,400
Private Bath – Double	NA	6,182
Efficiency – Double	NA	6,260
Hillcrest		
Double	4,436	5,022
Single	6,044	6,842
Main Campbell		
Double	4,124	4,670
Single	5,614	6,356
Graduate Life Center at Donaldson Brown		
Double	5,090	5,762
Single	6,944	7,862
New Hall West		
Double	5,090	5,762
Single	6,944	7,862

Board Fees

Students living on-campus currently have a choice of three types of flexible meal plans. The Flex Plan operates like a debit account with a designated amount for the purchase of food in the dining facilities. Students are able to increase their Flex account balance during the year by depositing cash to their Flex accounts. Consistent with purchasing power of traditional meal plans, the intent of annual rate changes for the Flex Plans is to hold overall purchasing power constant year-to-year.

A 3.10 percent increase is proposed for board fees to cover personnel costs, adjustments to fringe benefits, increased utility costs, a realignment of student affairs costs, increased food costs, university cost allocations, the maintenance of facilities, as well as operating, wages, and debt service costs for facility expansion and improvements. The proposed board rates by meal plan program are listed below:

	2010-11 Charge <u>Annual Fee</u>	Proposed 2011-12 <u>Annual Fee</u>
Major Flex Plan	\$2,636	\$2,718
Mega Flex Plan	2,836	2,918
Premium Flex Plan	3,046	3,128

Fee Rates for the Center for European Studies and Architecture

The Center for European Studies and Architecture (CESA) in Lugano, Switzerland, opened in the Fall of 1993. The Center serves as a resident educational facility for Virginia Tech students from many academic programs. Providing the opportunity for students to study abroad is an important strategy in strengthening the international programs of Virginia Tech, an objective of both the university and the Commonwealth.

For purposes of financing the operations of the Center, two separate programs are maintained. First, all instructional costs are accounted for in the Educational and General program of the University Division. Second, the housing, dining, and student activity auxiliary enterprise programs are recorded within the university's Residential and Dining Hall System. The Ferrari Foundation, the university's Swiss subsidiary corporation, manages the day-to-day activities of the Center.

Students attending the Center for European Studies and Architecture are assessed the same tuition as on-campus students, and it is recommended that this tuition policy continue.

For housing and dining services at the Center, the proposed fees are higher than on-campus rates to reflect the higher cost of living at the Center. Students are not required to pay the on-campus Comprehensive Fee while studying abroad. Students currently pay a \$117 CESA student activity fee, which provides students with community-building social and recreational events and activities. The university proposes no increase in the student activity fee for the 2011-12 academic year and a \$134 increase in the room and board fee to cover increased operating costs and the current exchange rate; this represents an increase of 2.2 percent. If approved, CESA students will pay a \$117 Student Activity Fee and \$6,115 per semester for room and board. The university proposes the following semester rates for Virginia Tech students:

	2010-11 Charge <u>Semester Rate</u>	Proposed 2011-12 <u>Semester Rate</u>
CESA Student Activity Fee	\$ 117	\$ 117
CESA Room and Board Costs	5,981	6,115

Specialized Program Fees

Supplemental program fees are designed to cover costs that are unique to a specific discipline. To maintain the intent of the Commonwealth's funding policies regarding the collection and allocation of tuition revenues, Specialized Program Fees are charges established for a specific program which are beyond regular tuition and fees and are equal for students, both resident and nonresident.

Architecture + Design Supplemental Fee

To ensure that architecture, industrial design, interior design, and landscape architecture students in the School of Architecture + Design students continue to have access to appropriate studio equipment and technology, the university recognizes the differential cost of instruction for students with majors in the School of Architecture + Design through a supplemental program fee. This fee supports costs that are unique to Architecture + Design students including: the updating, equipment, and materials for instructional studios, student projects, and operational support of instructional studios. The fee began with incoming freshmen, internal transfers, and incoming graduate students admitted to the School of Architecture + Design during or after Fall 2008. No change in the supplemental fee is recommended for 2011-12:

	2010-11 Charge <u>Annual Fee</u>	Proposed 2011-12 <u>Annual Fee</u>
Full-time	\$650	\$650
Part-time	325	325

Engineering Supplemental Fee

To ensure that engineering students continue to receive a state-of-the-art education in a quality learning environment, the university began to recognize the higher cost of instruction in the College of Engineering (COE) through the establishment of a supplemental fee in 2007-08. This is important to support engineering students including: the continuing need for modernization of instrumentation and materials for instructional laboratories and student projects, instructional space costs, and effective maintenance of instrumentation and technology and operation of the instructional laboratories.

As of Fall 2010, the undergraduate charge is fully implemented and being applied to all undergraduate level engineering courses. The full-time/part-time charge is applied to students entering the graduate program in Fall 2007 and beyond. The supplemental fee proposal for 2011-12, with no change recommended, is presented below:

	2010-11 <u>Charge</u>	Proposed <u>2011-12</u>
<u>Undergraduate</u>	\$30/hour	\$30/hour
<u>Graduate</u>		
Full-time	720/year	720/year
Part-time	360/year	360/year

Course Specific Charges

The university may establish course specific charges for study abroad costs, field trips, course materials, laboratory cost, or other extraordinary costs tied to individual courses. The university avoids establishing these charges in programs with specialized program fees.

Specialized Graduate Degree Program Fees

Specialized graduate degree programs provide a valuable service by meeting targeted educational and professional development needs. Since both the academic units and the university have added costs associated with providing high demand specialized graduate degree programs, specialized graduate program fees address these incremental college and university costs required to deliver high quality programs. To maintain the intent of the Commonwealth's funding policies regarding the collection and allocation of tuition revenues, Specialized Graduate Program Fees are charges established for a specific graduate program, potentially at a specific location, beyond regular tuition and fees and are equal for students, both resident and nonresident.

Veterinary Medicine Facility Fee

Capital improvements are in progress to improve the College of Veterinary Medicine instructional space. Increased and enhanced facilities are necessary for the recruitment and retention of high-quality faculty as well as students. All Veterinary Medicine students are assessed a facility fee as part of a multi-year plan. Proceeds from the facility fee will be used exclusively for College of Veterinary Medicine instructional space improvements.

	2010-11 <u>Charge</u>	Proposed <u>2011-12</u>
Virginia-Maryland Students	\$1,400	\$1,535
Nonresident Students	1,400	1,535

Master of Public Health (MPH) Supplemental Fee

The MPH degree program was approved by the Virginia Tech Board of Visitors on June 1, 2009 and by the State Council of Higher Education for Virginia (SCHEV) on January 12, 2010. For 2011-12, the proposed supplemental fee is to remain at the same level as the 2010-11 rate. Part-time students will pay one half of the fee.

	2010-11 <u>Charge</u>	Proposed <u>2011-12</u>
<u>Full-time</u>		
Resident	\$500	\$500
Nonresident	500	500
<u>Part-time</u>		
Resident	250	250
Nonresident	250	250

Virginia Tech-Georgetown University Master of Science Degree in Biomedical Technology Development and Management

Virginia Tech has entered into an agreement with Georgetown University to offer a joint degree in biomedical technology development and management. This program will meet a growing demand for advanced degrees for individuals working in regulatory agencies and the pharmaceutical and biotechnology industries. The Georgetown Board of Directors approved the degree program in 2005. SCHEV and the Virginia Tech Board of Visitors approved the program in 2007.

As a true joint degree program, students are able to matriculate at either Virginia Tech or Georgetown University at the same total cost. All courses are cross-listed at both institutions, and the two institutions divide revenues and incur expenses based on the number of credit hours delivered. To fully implement the joint degree arrangement with Georgetown, Virginia Tech's total tuition and mandatory fee charge for this program will conform to Georgetown's total tuition and fees for its graduate medical program. The charges will be based on a per credit hour rate. For 2011-12, this rate is \$1,643.75 per credit hour.

A graduate program fee will be added to Virginia Tech's normal campus tuition and fee rates to equal the difference between the per credit hour tuition and mandatory fees at the Georgetown Medical School and per credit hour tuition and fees at Virginia Tech's extended campus to achieve the intent of the joint degree agreement.

Master of Business Administration Supplemental Fee

At the November 2009 Board of Visitors meeting, a new program fee for the Master of Business Administration (MBA) program was approved. This fee, implemented in Fall 2010, more appropriately aligns pricing of the Virginia Tech MBA program and provides increased funding for the college's academic program, expanded recruitment efforts, and enhanced career placement services for students.

The fee is not assessed to Executive MBA or Professional MBA students. On and off campus students pay this fee; part-time students will pay the fee on a per credit hour basis.

	<u>2010-11 Charge</u>	<u>Proposed 2011-12</u>
<u>Full-time</u>		
Resident	\$3,900	\$3,900
Nonresident	3,900	3,900
<u>Part-time</u>		
Resident	\$162.50/hour	\$162.50/hour
Nonresident	162.50/hour	162.50/hour

Master of Information Technology Supplemental Fee

The Master of Information Technology program is an integration of business, engineering and computer science curriculum. This supplemental fee ensures the program is able to develop, maintain and deliver a high quality and cutting-edge program in a rapidly changing technological environment. In prior years, the program fee was based on an equal percentage of each residency group's tuition rate. In lieu of this for 2011-12, the university is recommending that the program fee be set equal in dollar value for each residency group.

	<u>2010-11 Charge</u>	<u>Proposed 2011-12</u>
Resident	\$136.00/hour	\$145.25/hour
Nonresident	257.25/hour	145.25/hour

Executive Model Graduate Degree Program Fees

While similar to specialized graduate program fees, the industry standard for this type of professional education program is to be quoted in terms of a total cost, for the entire program period. A program period generally spans eighteen months to two years. A

new multi-year total cost is developed for each incoming cohort. The annual program fees are established as the difference between regular tuition and fees and the total cost during the cohort period. The program fee for a cohort's second year is established when tuition and fee rates are established for that year; this can be impacted by various factors including cost assignments by the General Assembly (such as the non-resident capital assessment).

Professional Master of Business Administration (PMBA) Supplemental Fee

The PMBA program is intended for experienced working professionals to complete an MBA on a part-time basis in an accelerated format. The program is designed on the cohort model with face-to-face weekend classes (in Richmond and Roanoke) while leveraging online technology for supplemental instructional delivery to provide flexibility for busy working professionals to complete the program over a two year period. The charges for the Professional MBA program are presented in the table below.

	<u>Two-Year Program Cost</u>	<u>2010-11 Charge</u>	<u>Proposed 2011-12</u>	<u>Placeholder 2012-13</u>
<u>Fall 2010 Cohort</u>				
PMBA Total Cost – Resident	\$35,000	\$17,149	\$17,851	
Less: Off-campus Tuition & Fees		<u>(10,449)</u>	<u>(11,171)</u>	
PMBA Fee – 2010 Resident		6,700	6,680	
 PMBA Total Cost – Nonresident	 55,000	 26,453	 28,547	
Less: Off-campus Tuition & Fees		<u>(19,753)</u>	<u>(21,518)</u>	
PMBA Fee – 2010 Nonresident		6,700	7,029	
 <u>Fall 2011 Cohort</u>				
PMBA Total Cost – Resident	35,000		17,149	17,851
Less: Off-campus Tuition & Fees			<u>(11,171)</u>	<u>TBD</u>
PMBA Fee – 2011 Resident		N/A	5,978	TBD
 PMBA Total Cost – Nonresident	 55,000		 27,496	 27,504
Less: Off-campus Tuition & Fees			<u>(21,518)</u>	<u>TBD</u>
PMBA Fee – 2011 Nonresident		N/A	5,978	TBD

Executive Master of Natural Resources (XMNR) Supplemental Fee

In 2010-11, the College of Natural Resources expanded the existing Master of Natural Resources program delivered in the National Capital Region by adding an executive format cohort. The program is an accelerated, non-residential graduate degree for

working professionals with significant management experience. The proposed total cost and resulting supplemental fee are listed below.

	<u>Two-Year Program Cost</u>	<u>2010-11 Charge</u>	<u>Proposed 2011-12</u>	<u>Placeholde 2012-13</u>
<u>Spring 2010 Cohort</u>				
XMNR Total Cost – Resident	\$42,000	\$20,580	\$21,420	
Less: Off-campus Tuition & Fees		<u>(10,449)</u>	<u>(11,171)</u>	
XMNR Fee – 2010 Resident		10,131	10,249	N/A
XMNR Total Cost – Nonresident	61,971	29,884	32,087	
Less: Off-campus Tuition & Fees		<u>(19,753)</u>	<u>(21,518)</u>	
XMNR Fee – 2010 Nonresident		10,131	10,569	N/A
<u>Spring 2011 Cohort</u>				
XMNR Total Cost – Resident	42,000		20,580	21,420
Less: Off-campus Tuition & Fees			<u>(11,171)</u>	TBD
XMNR Fee – 2011 Resident		N/A	9,409	TBD
XMNR Total Cost – Nonresident	61,971		30,927	31,044
Less: Off-campus Tuition & Fees			<u>(21,518)</u>	TBD
XMNR Fee – 2011 Nonresident		N/A	9,409	TBD

Masters of Information Security Assurance (MISA) Supplemental Fee

The MISA is designed to contribute to the nation's prosperity and security by providing executives with the engineering and management process training to effectively ensure trustworthy enterprise-wide information systems. The program is based in the Advanced Research Institute in the National Capital Region. The MISA is designed on the cohort model with face-to-face weekend classes and leverages online technology for supplemental instructional delivery to provide flexibility for busy working professionals. An accelerated program schedule enables the program to be completed by working professionals in eighteen months. The program has a strong focus on global information security issues and includes an international field trip and case studies. The resulting charge for the MISA program is presented in the table below.

	<u>18 Month Program Cost</u>	<u>2010-11 Charge Per Semester</u>	<u>Proposed 2011-12 Per Semester</u>	<u>Placeholder 2012-13 Per Semester</u>
<u>Spring 2011 Cohort</u>				
MISA – Total Cost	\$60,000	\$20,000	\$20,000	
Less: Off-campus Tuition & Fees		<u>(5,224)</u>	<u>(5,586)</u>	
MISA Fee – Spring 2011 Cohort		14,776	14,414	N/A

Spring 2012 Cohort

MISA – Total Cost	\$60,000	\$20,000	\$20,000
Less: Off-campus Tuition & Fees		<u>(5,586)</u>	<u>TBD</u>
MISA Fee – Spring 2012 Cohort	N/A	14,414	TBD

Parking Fee

The General Assembly directed institutions of higher education to organize parking services as an auxiliary enterprise operation in 1989. The expenditure of General Fund dollars for the maintenance or improvement of parking lots and facilities was prohibited. Accordingly, Virginia Tech established the Parking Services Auxiliary at the beginning of fiscal year 1989-90 and instituted a fee for faculty, staff, and students who parked in campus lots. For 2010-11, the annual parking fee is \$220 for faculty and staff and \$189 for both resident and commuter/graduate students. The fee revenue covers the costs of operating, constructing, maintaining, and improving the parking lots and facilities. Annual parking fees at other Virginia doctoral institutions for 2010-11 range from \$192 to over \$600 for students, dependent upon the type and proximity of parking facilities utilized.

The university proposes to increase the annual parking fee for commuter/graduate students from \$189 to \$198, resident students from \$189 to \$225, and faculty and staff from \$220 to \$225 for 2011-12. The increases are necessary to cover debt service and planning costs for major facility projects. The university also proposes to continue to provide a parking rate discount to encourage car-pooling in an effort to reduce the amount of vehicular traffic on campus.

Summary of Tuition and Fee Rates

A summary of the recommended tuition rates is shown on Schedules 1 and 2, and a summary of fees is attached on Schedules 3 and 4. Also, the total cost for students to attend Virginia Tech is detailed on Schedule 5 for undergraduate students and Schedule 6 for graduate students.

RECOMMENDATION:

That the proposed tuition and fee rates be approved, effective Fall Semester 2011.

Schedule 1

VIRGINIA TECH
2011-12 TUITION RECOMMENDATIONS
SUMMARY OF ANNUAL CHARGES

RECOMMENDATION

	2010-11 Charge (a)	Proposed 2011-12	Rate Increase	
			\$	%
Undergraduate Students				
Resident	\$8,055	\$8,852	\$797	9.9%
Nonresident	21,114	22,254	1,140	5.4%
Graduate Students				
On-Campus Programs				
Resident	9,399	10,048	649	6.9%
Nonresident	17,854	19,497	1,643	9.2%
Off-Campus Programs				
Resident	10,406	11,124	718	6.9%
Nonresident	19,141	20,902	1,761	9.2%
Veterinary Medicine				
Virginia/Maryland	16,741	17,444	703	4.2%
Out-of-State Non-Maryland	39,201	40,847	1,646	4.2%

(a) 2010-11 tuition rate restated to consolidate the tuition and academic fee, thereby streamlining and eliminating the academic fee in 2011-12

Presentation Date: April 21, 2011

VIRGINIA TECH
2011-12 SPECIAL TUITION RATES
SUMMARY OF HOURLY RATES

	2010-11 Charge (a)	Proposed 2011-12	Increase	
			\$	%
<u>Regular Part-Time Students</u> (b)				
<u>Undergraduate Students</u>				
Resident	\$335.75	\$368.75	\$33.00	9.8%
Nonresident	879.75	927.25	47.50	5.4%
<u>Graduate Students</u>				
On-Campus Programs				
Resident	522.25	558.25	36.00	6.9%
Nonresident	992.00	1,083.25	91.25	9.2%
Off-Campus Programs				
Resident	578.00	618.00	40.00	6.9%
Nonresident	1,063.50	1,161.25	97.75	9.2%
 <u>School Personnel</u>				
Undergraduate Resident	201.00	221.00	20.00	10.0%
Graduate Resident	313.00	335.00	22.00	7.0%
 <u>Study Abroad Programs</u> (c)				
Undergraduate Resident	269.00	295.00	26.00	9.7%
Undergraduate Nonresident	704.00	742.00	38.00	5.4%
Graduate Resident	418.00	447.00	29.00	6.9%
Graduate Nonresident	794.00	867.00	73.00	9.2%

- (a) 2010-11 tuition rate restated to consolidate the tuition and academic fee, thereby streamlining and eliminating the academic fee in 2011-12
- (b) Part-time tuition charges for all student categories are derived from the full-time rate and are directly related to the number of credit hours taken. For tuition calculation purposes, the full-time undergraduate semester rate is divided by 12 credit hours and the full-time graduate student semester rate is divided by nine hours.
- (c) Special tuition rates for study abroad do not include students studying at the Center for European Studies and Architecture.

Presentation Date: April 21, 2011

VIRGINIA TECH
2011-12 FEE RECOMMENDATIONS
SUMMARY OF ANNUAL CHARGES

	2010-11 Charge	Proposed 2011-12	Increase	
			\$	%
<u>Educational and General Fee</u>				
Technology Fee	43	47	4	9.9%
Capital Fee				
Resident	0	0	0	-
Nonresident	569	569	0	0.0%
<u>Comprehensive Fee</u>				
Student Activity Fee	373	411	38	10.2%
Health Service Fee	326	346	20	6.1%
Athletic Fee	257	260	3	1.2%
Bus Fee	104	104	0	0.0%
Recreational Sports Fee	236	258	22	9.3%
Student Services Fee	195	231	36	18.5%
Total Comprehensive Fee	1,491	1,610	119	8.0%
<u>Room Fees</u>				
Upper Quad	3,426	3,880	454	13.3%
Pre-1983 Dormitories	3,654	4,138	484	13.2%
Cochrane Hall	4,556	5,158	602	13.2%
Special Purpose Housing	4,570	5,174	604	13.2%
Payne Park				
Traditional - Single	5,512	6,240	728	13.2%
Traditional - Double	4,026	4,558	532	13.2%
Suite - Single	6,708	7,594	886	13.2%
Suite - Double	4,856	5,498	642	13.2%
Suite - Double (Large Suite)	4,974	5,632	658	13.2%
East Ambler Johnston Residential College				
Traditional Double	N/A	5,400	N/A	N/A
Private Bath Double	N/A	6,182	N/A	N/A
Efficiency Double	N/A	6,260	N/A	N/A
Hillcrest				
Double Occupancy	4,436	5,022	586	13.2%
Single Occupancy	6,044	6,842	798	13.2%
Main Campbell & Newman				
Double Occupancy	4,124	4,670	546	13.2%
Single Occupancy	5,614	6,356	742	13.2%
Graduate Life Center at Donaldson Brown				
Double Occupancy	5,090	5,762	672	13.2%
Single Occupancy	6,944	7,862	918	13.2%
New Residence Hall West				
Double Occupancy	5,090	5,762	672	13.2%
Single Occupancy	6,944	7,862	918	13.2%
<u>Board Fees</u>				
Major Flex Plan	2,636	2,718	82	3.1%
Mega Flex Plan	2,836	2,918	82	2.9%
Premium Flex Plan	3,046	3,128	82	2.7%

Presentation Date: April 21, 2011

Schedule 4**VIRGINIA TECH****2011-12 SUPPLEMENTAL PROGRAM FEES**

All charges are academic year unless otherwise noted.

	2010-11 Charge	Proposed 2011-12	Increase	
			\$	%
<u>Specialized Program Fees</u>				
Architecture + Design Supplemental Fee				
Full-time	\$650	\$650	\$0	0.0%
Part-time	325	325	0	0.0%
Engineering Supplemental Fee				
Undergraduate, per credit hour	30	30	0	0.0%
Graduate - Full-time	720	720	0	0.0%
- Part-time	360	360	0	0.0%
<u>Specialized Graduate Degree Programs</u>				
Veterinary Medicine Facility Fee	1,400	1,535	135	9.6%
Master of Public Health - Full-time	500	500	0	0.0%
- Part-time	250	250	0	0.0%
VT-GU M.S. in Biomedical Technology Development				
Total Cost per credit hour	1,597.00	1,643.75	47	2.9%
Master of Business Administration-Full-time	3,900	3,900	0	0.0%
- Part-time, per credit hour	162.50	162.50	0	0.0%
Master of Information Technology				
Resident, per credit hour	136.00	145.25	9	6.8%
Nonresident, per credit hour	257.25	145.25	(112)	-43.5%
<u>Executive Model Graduate Degree Programs</u>				
Professional MBA				
2010 Cohort - Resident	6,700	6,680	(20)	-0.3% (a)
- Nonresident	6,700	7,029	329	4.9% (a)
2011 Cohort - Resident	N/A	5,978	N/A	N/A
- Nonresident	N/A	5,978	N/A	N/A
Executive Master of Natural Resources				
2010 Cohort - Resident	10,131	10,249	118	1.2% (a)
- Nonresident	10,131	10,569	438	4.3% (a)
2011 Cohort - Resident	N/A	9,409	N/A	N/A
- Nonresident	N/A	9,409	N/A	N/A
Masters of Information Security Assurance				
Spring 2011 Cohort, per semester	14,776	14,414	(362)	-2.4% (a)
Spring 2012 Cohort, per semester	N/A	14,414	N/A	N/A

(a) Supplemental program fees for Executive Model Graduate Degree Programs are designed to balance the difference between the quoted price (for a multi-year program) and actual tuition and fees.

Presentation Date: April 21, 2011

Schedule 5

VIRGINIA TECH

TOTAL COST TO STUDENTS

Comparison of 2010-11 and 2011-12 Annual Charges

UNDERGRADUATE STUDENTS

	2010-11 Charge	Proposed 2011-12	Increase	
			\$	%
<u>Resident</u>				
Tuition	\$8,055	\$8,852	\$797	9.9%
Educational and General Fee	43	47	4	9.9%
Subtotal Tuition and E & G Fee	8,098	8,899	801	9.9%
Comprehensive Fee	1,491	1,610	119	8.0%
Subtotal All Resident Students	9,589	10,509	920	9.6%
Room (Pre-1983 Dorms)	3,654	4,138	484	13.2%
Board (Flex Plan)	2,636	2,718	82	3.1%
Subtotal Room and Board	6,290	6,856	566	9.0%
Total Cost for Residents Living on Campus	15,879	17,365	1,486	9.4%
<u>Nonresident</u>				
Tuition	21,114	22,254	1,140	5.4%
Educational and General Fee	612	616	4	0.7%
Subtotal Tuition and E & G Fee	21,726	22,870	1,144	5.3%
Comprehensive Fee	1,491	1,610	119	8.0%
Subtotal All Nonresident Students	23,217	24,480	1,263	5.4%
Room (Pre-1983 Dorms)	3,654	4,138	484	13.2%
Board (Flex Plan)	2,636	2,718	82	3.1%
Subtotal Room and Board	6,290	6,856	566	9.0%
Total Cost for Nonresidents Living on Campus	29,507	31,336	1,829	6.2%

Presentation Date: April 21, 2011

Schedule 6

VIRGINIA TECH
TOTAL COST TO STUDENTS

Comparison of 2010-11 and 2011-12 Annual Charges

	2010-11 Charge	Proposed 2011-12	Increase	
			\$	%
<u>GRADUATE STUDENTS</u>				
On-Campus Programs				
<u>Resident</u>				
Tuition	\$9,399	\$10,048	\$649	6.9%
Educational and General Fee	43	47	4	9.9%
Subtotal Tuition and E & G Fee	9,442	10,095	653	6.9%
Comprehensive Fee	1,491	1,610	119	8.0%
Total Cost for Residents	10,933	11,705	772	7.1%
<u>Nonresident</u>				
Tuition	17,854	19,497	1,643	9.2%
Educational and General Fee	612	616	4	0.7%
Subtotal Tuition and E & G Fee	18,466	20,113	1,647	8.9%
Comprehensive Fee	1,491	1,610	119	8.0%
Total Cost for Nonresidents	19,957	21,723	1,766	8.9%
Off-Campus Programs				
<u>Resident</u>				
Tuition	10,406	11,124	718	6.9%
Educational and General Fee	43	47	4	9.9%
Total Cost for Residents	10,449	11,171	722	6.9%
<u>Nonresident</u>				
Tuition	19,141	20,902	1,761	9.2%
Educational and General Fee	612	616	4	0.7%
Total Cost for Nonresidents	19,753	21,518	1,765	8.9%
<u>VETERINARY MEDICINE</u>				
Virginia/Maryland Students				
Tuition	16,741	17,444	703	4.2%
Educational and General Fee	43	47	4	9.9%
Comprehensive Fee	1,491	1,610	119	8.0%
Vet Med Facility Fee	1,400	1,535	135	9.6%
Total Cost for Virginia/Maryland Students	19,675	20,636	961	4.9%
Out-of-State Students				
Tuition	39,201	40,847	1,646	4.2%
Educational and General Fee	612	616	4	0.7%
Comprehensive Fee	1,491	1,610	119	8.0%
Vet Med Facility Fee	1,400	1,535	135	9.6%
Total Cost for Out-of-State Students	42,704	44,608	1,904	4.5%



2011-12 Tuition and Fee Recommendation
Board of Visitors, Executive Committee
April 21, 2011
M. Dwight Shelton, VP for Finance and Chief Financial Officer

State Budget Update

State Budget Basics

Change – Since 2007, the national economy has dramatically slowed, reducing the Commonwealth of Virginia's General Fund revenues.

Virginia has had to manage \$7 Billion in reductions.

Multiple reductions of state funding to all state agencies including higher education.

Impact will continue through 2012.

Federal Stimulus funds provided some temporary support in FY10 and FY11.

In 2010-11, Virginia state budget stabilized. Reinvestment into higher education will begin in 2011-12, but existing planned reductions will more than offset new funding.

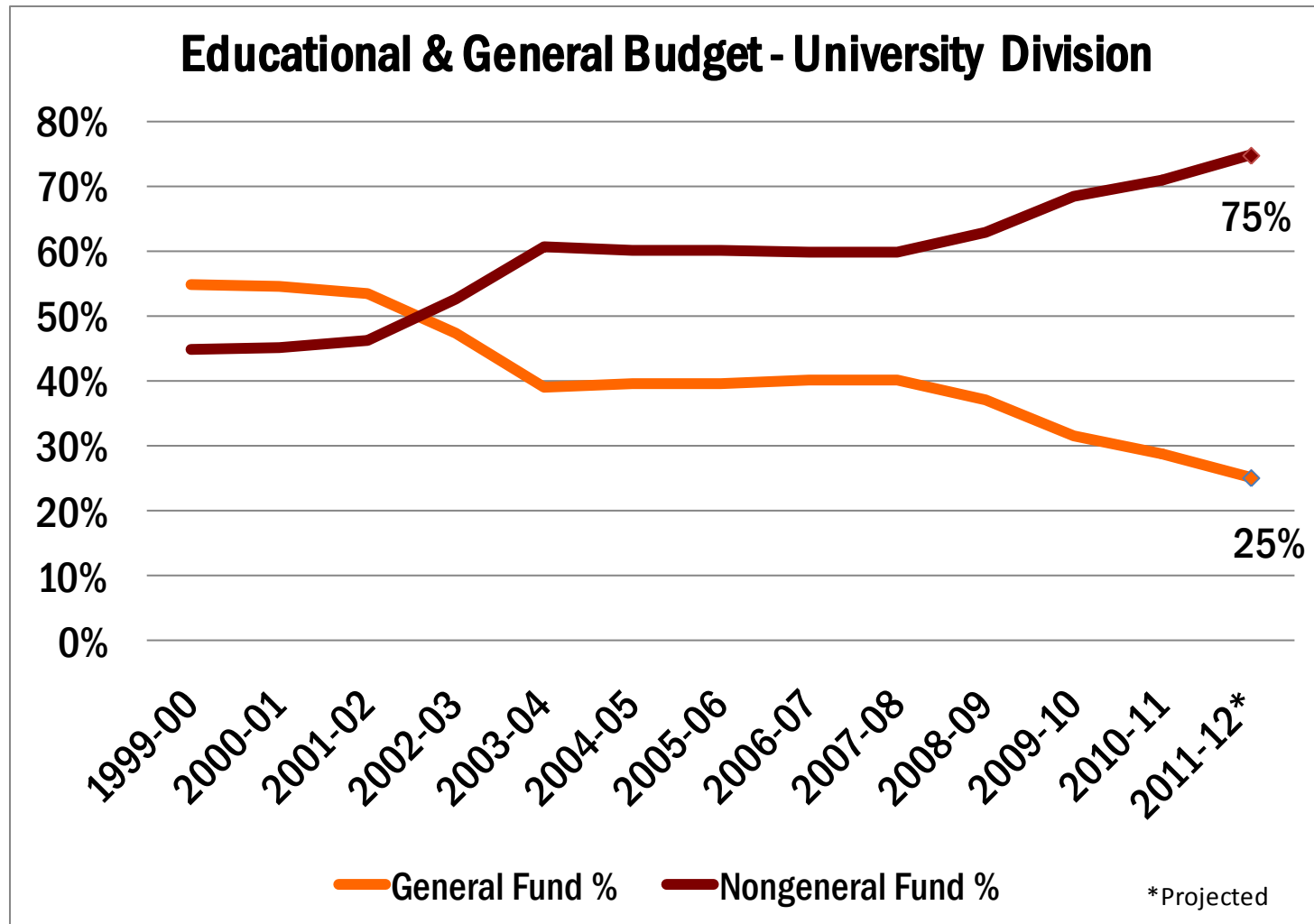
GENERAL FUND REDUCTION

	2009-10	2010-11	2011-12
University Division	(42,540,960)	(44,189,267)	(61,050,739)
CE/AES Division	(5,894,958)	(5,894,958)	(10,348,983)
Subtotal Operating	(48,435,918)	(50,084,225)	(71,199,722)
Maintenance Reserve	-	(3,048,551)	(3,048,551)
Equipment Trust Fund	-	(496,192)	(496,192)
Total Reduction	(48,435,918)	(53,628,968)	(74,744,465)

2011 GENERAL ASSEMBLY NEW GENERAL FUNDS

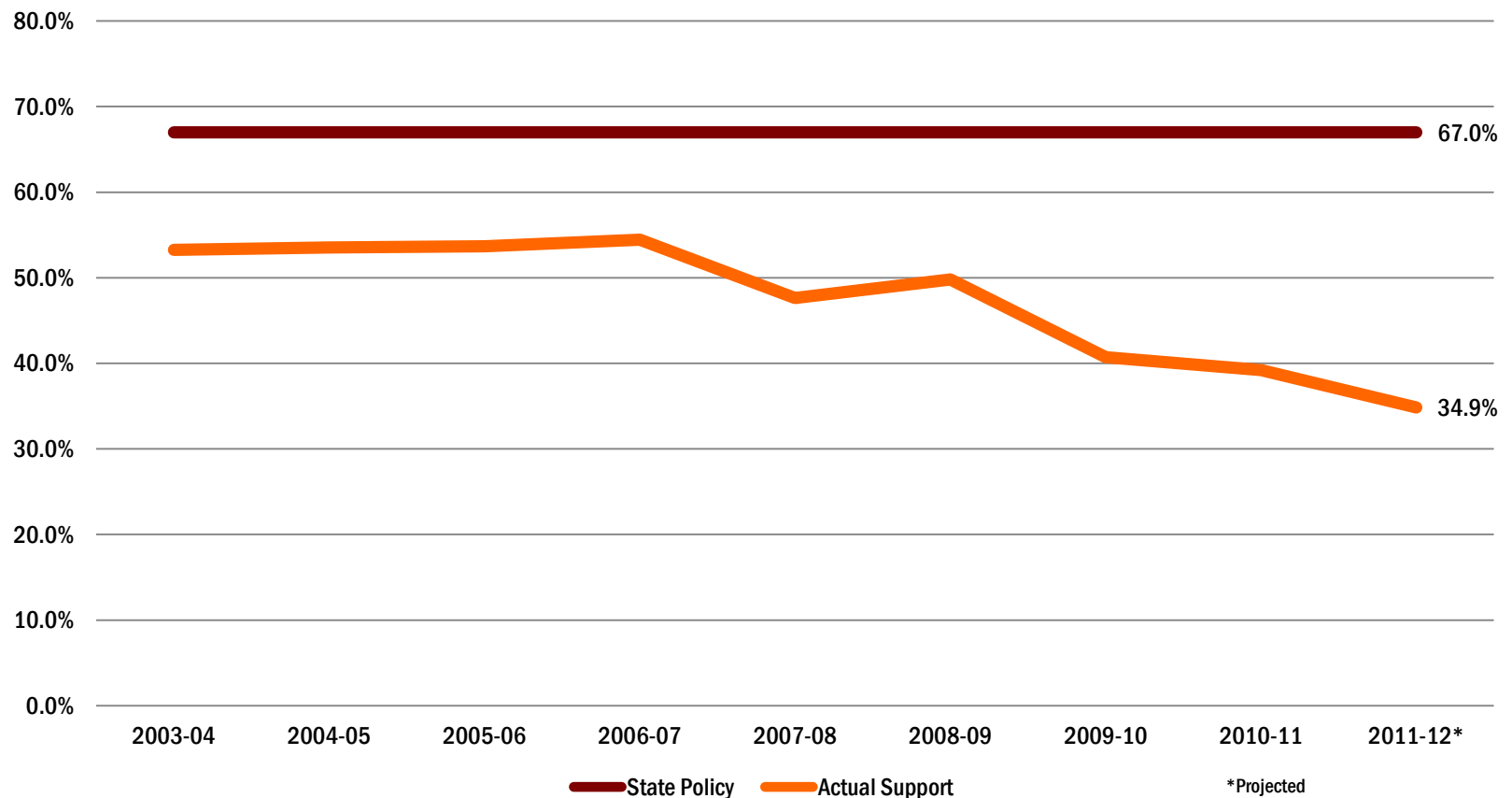
University	\$3,374,724
CE/AES Division	\$1,494,410

Fund Split

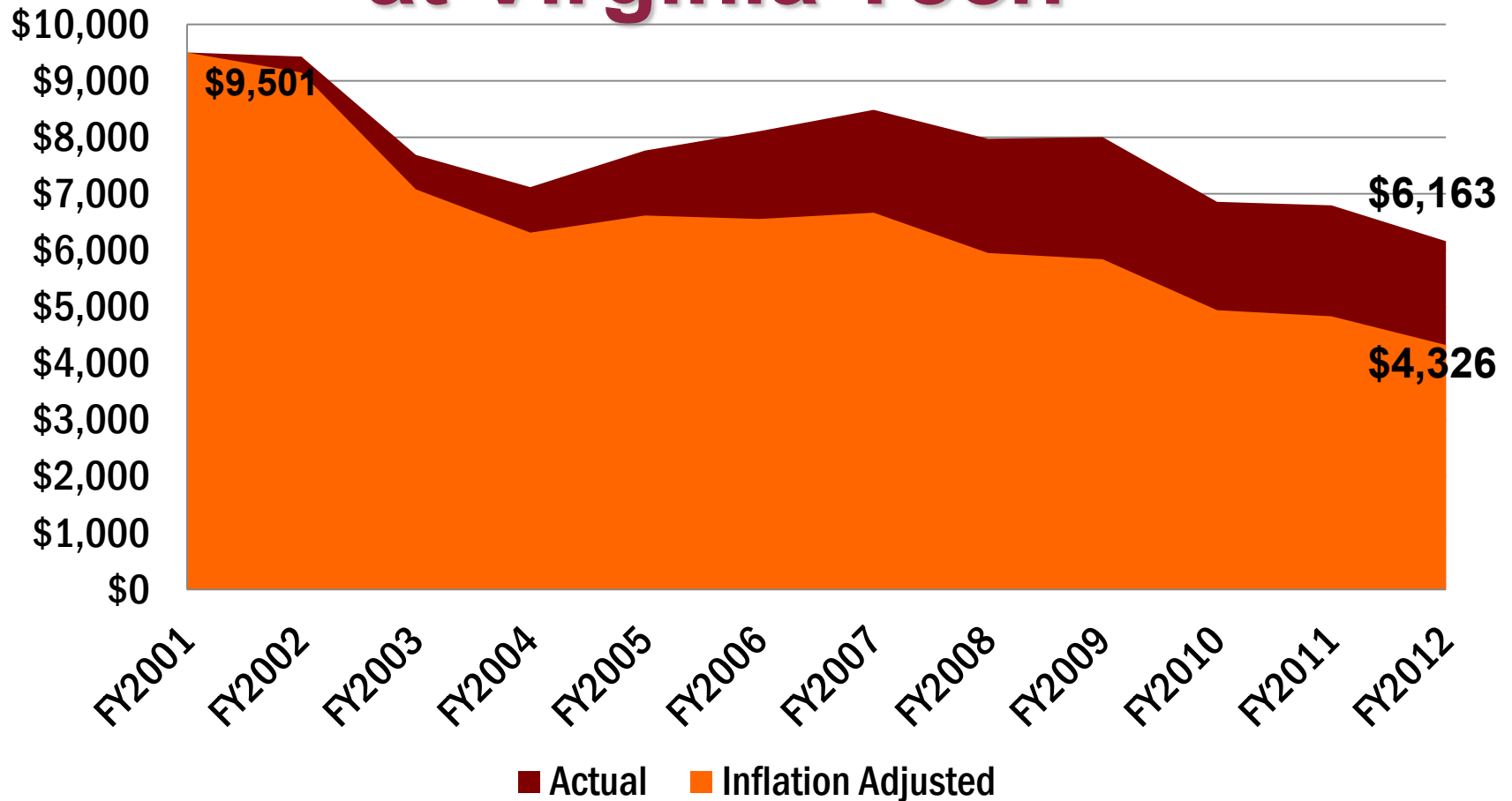


State Funding Policy

State Policy vs. Actual Support



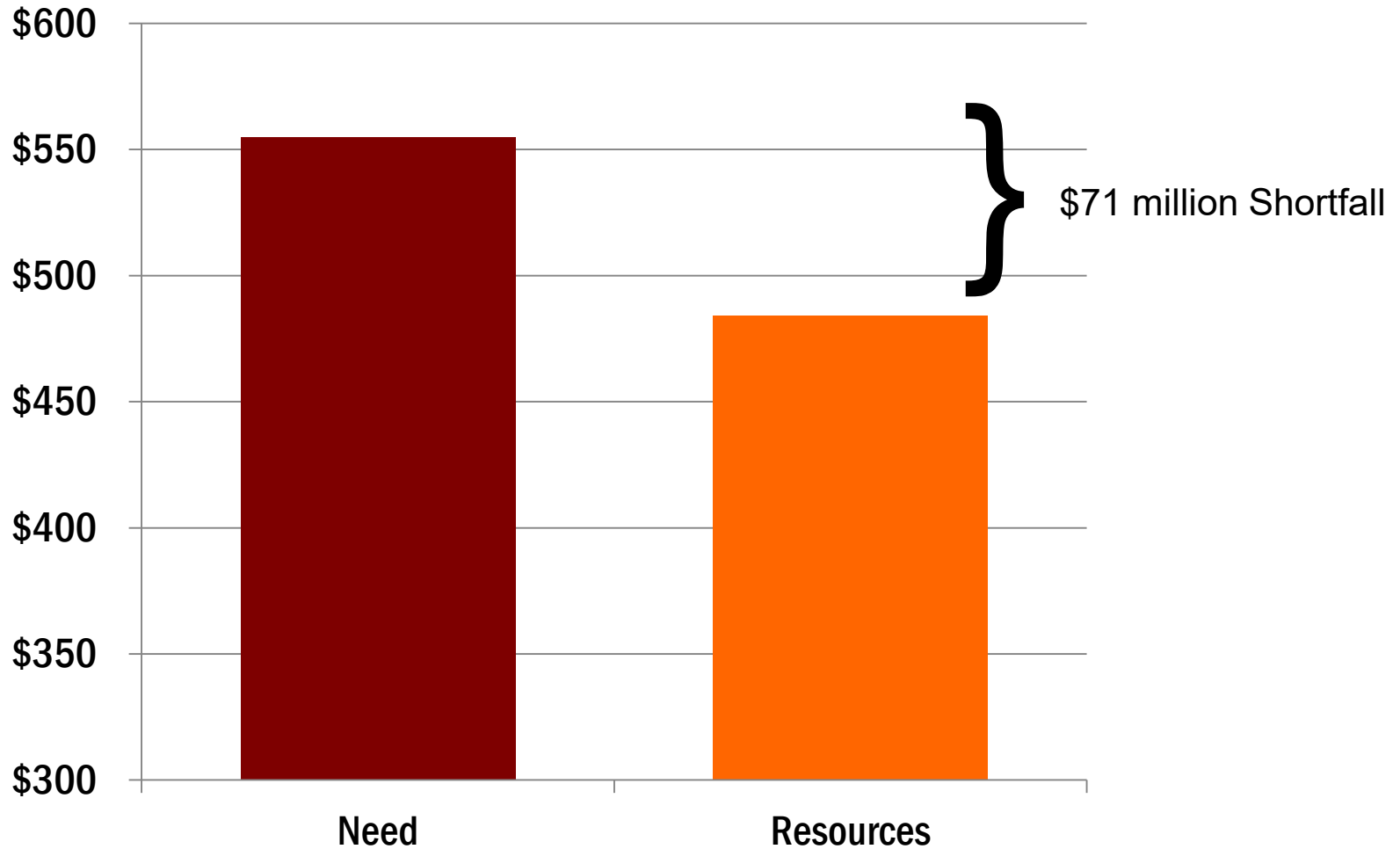
General Fund Per Virginia Student at Virginia Tech



Status of University Funding

2010-11 Base Budget Adequacy Shortfall

From SCHEV October 2010



2011-12 Fiscal Year

The Cliff, 2011-12

University Division

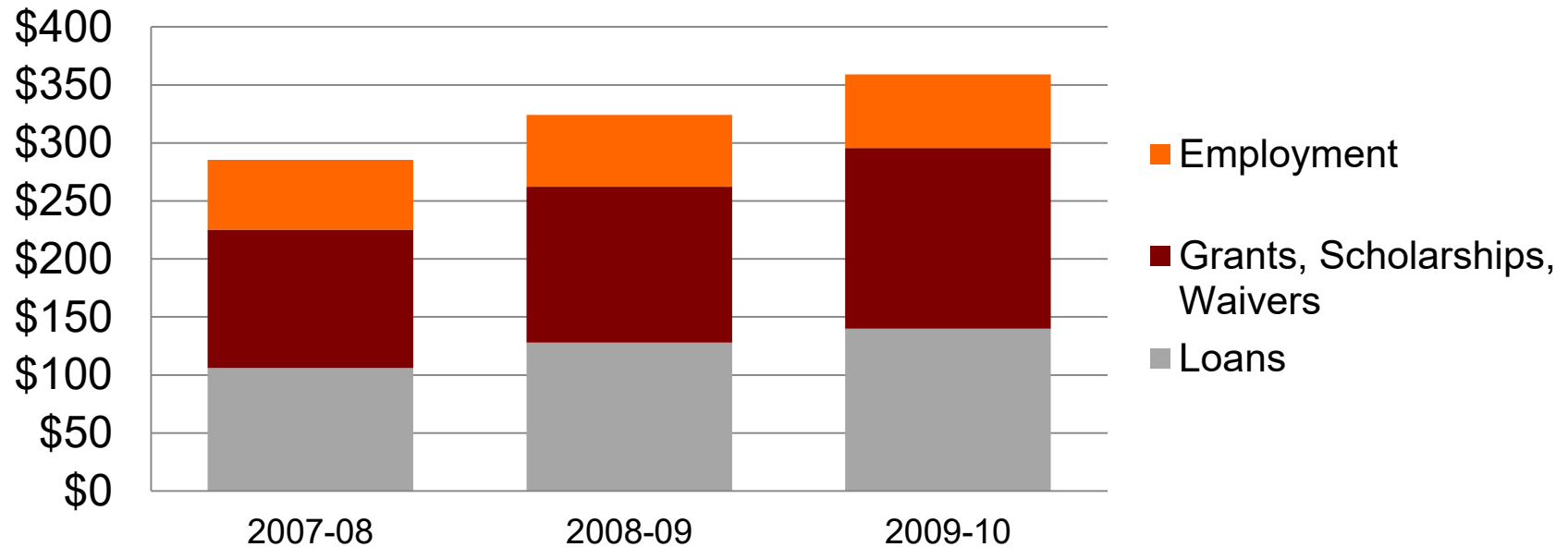
\$ in millions

	2011-12
General Fund Reduction	(\$16.7)
2011 New General Fund	3.4
Federal Stimulus	(21.1)
Total Reduction	(\$34.4)

Cost Drivers

- Utility costs (electricity, coal)
- Operation & Maintenance of Facilities
- Student Aid
- Availability of course sections to support enrollment growth
- Library
- Unfunded mandates
- Prior commitments
 - Example: health insurance for graduate students on assistantship
- Technology investments

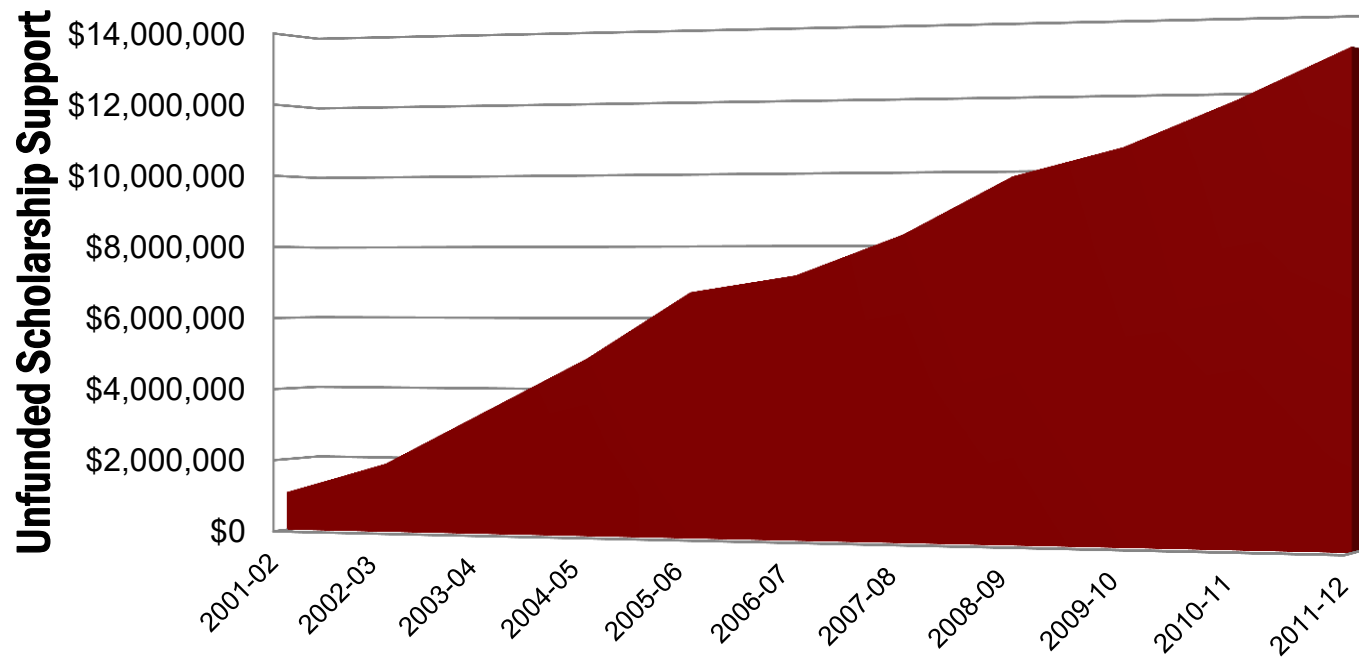
Student Financial Aid at Virginia Tech



	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Loans	\$ 106.1	\$ 128.0	\$ 139.9
Grants, Scholarships, Waivers	119.2	134.2	155.7
Employment	<u>60.2</u>	<u>62.0</u>	<u>63.4</u>
Total	\$ 285.5	\$ 324.2	\$ 359.0

Undergraduate Scholarships

Institutional Support – Unfunded Scholarships



Multiyear Planning Process

- Budget reductions have occurred over several years
- Campus has and is working to increase efficiency
- Plan was to spread tuition increases over several years

Multiyear Planning Process

- Federal Stimulus funding in 2009-10 and 2010-11 was one-time
- Tuition rate was held back in 2009-10 to less than it otherwise would have been due to federal and state guidance.
- 2011-12 completes the plan of transitioning to a lower level of General Fund support.

2011-12 Tuition and Fee Development

Components of Total Cost

- Tuition
- E&G Fees
- Comprehensive Fee
- Room & Board

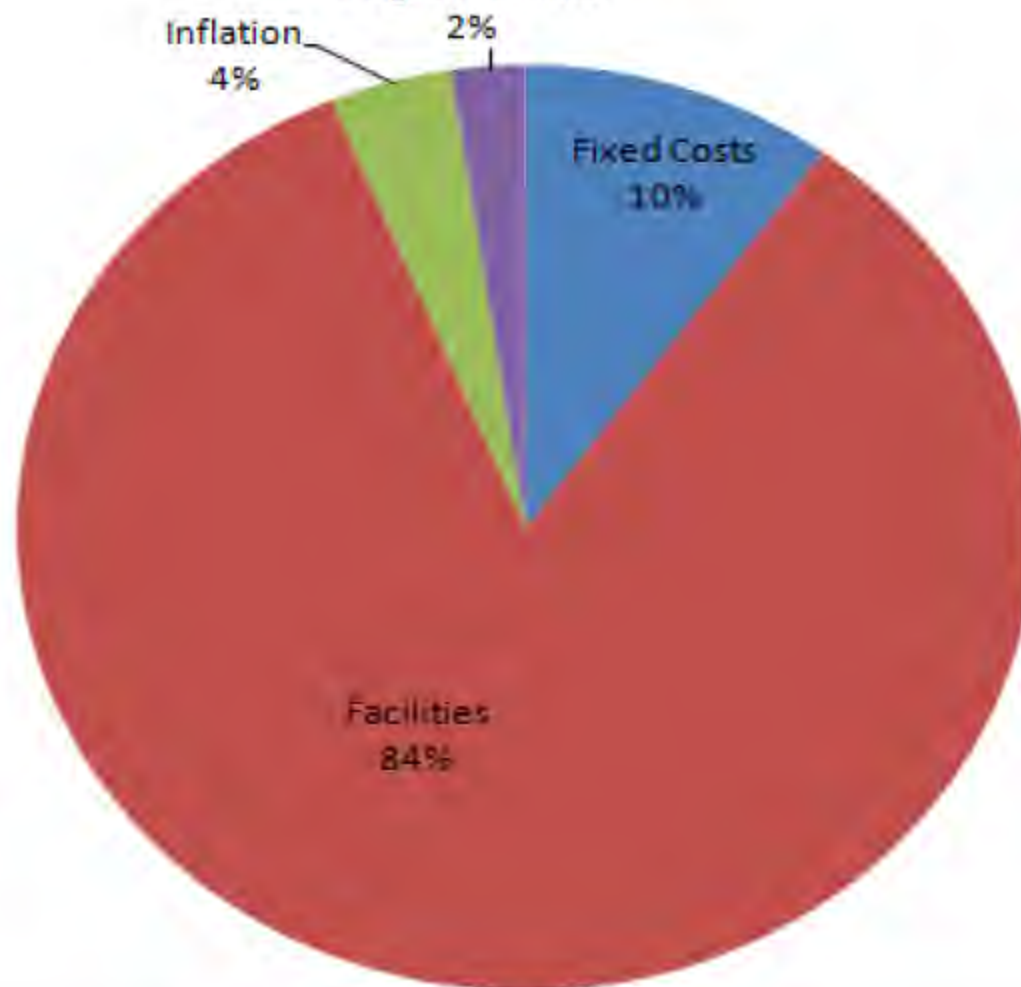
**TUITION &
E&G FEES**

**TUITION &
MANDATORY FEES**

TOTAL COST



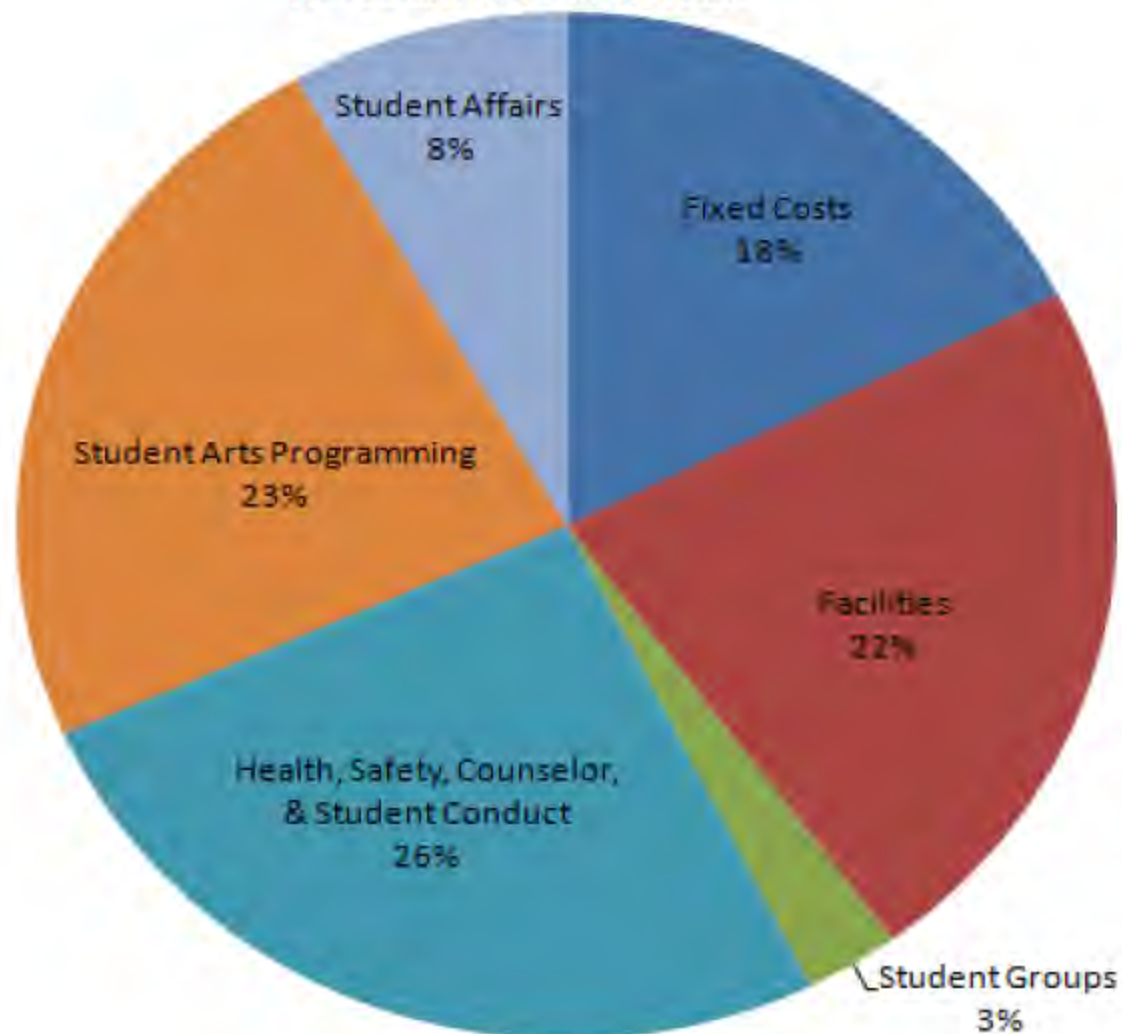
**2011-12 Room & Board Fee
Allocation of Total Increase
Program Related**



Benchmarking 2010-11 Room and Board at Virginia Public Institutions

<u>Institutions</u>	<u>Room and Board</u>	<u>Rank</u>
Christopher Newport University	\$9,340	1
William and Mary	8,684	2
University of Virginia	8,652	3
Virginia Commonwealth University	8,526	4
University of Virginia's College at Wise	8,351	5
Virginia State University	8,152	6
Longwood University	8,114	6
James Madison University	8,020	8
University of Mary Washington	8,012	9
George Mason University	7,940	10
Old Dominion University	7,902	11
Norfolk State University	7,622	12
Radford University	7,302	13
Virginia Military Institute	7,132	14
Virginia Tech	6,290	15

**2011-12 Comprehensive Fee
Allocation of Total Increase**



Mandatory Fees as a Percentage of Mandatory Cost at Virginia Public Institutions (2010-11)

<u>Institution</u>	<u>Tuition & Fees</u>	<u>Mandatory Non E&G Fees</u>	<u>Non E&G Fees as % of Total</u>
Virginia Tech	9,589	1,491	16%
University of Virginia	10,628	1,848	17%
Virginia Commonwealth University	8,817	1,864	21%
George Mason University	8,684	2,364	27%
University of Mary Washington	7,862	2,362	30%
Radford University	7,694	2,634	34%
William and Mary	12,188	4,570	37%
Old Dominion University	7,708	2,986	39%
Virginia State University	6,570	2,684	41%
Christopher Newport University	9,250	3,936	43%
University of Virginia's College at Wise	7,194	3,174	44%
Longwood University	9,855	4,440	45%
James Madison University	7,860	3,678	47%
Norfolk State University	6,227	3,068	49%
Virginia Military Institute	\$12,328	\$6,304	51%

Tuition and Fee Recommendation

Key Elements of Recommendation

- Academic Fee (E&G fee) has been rolled into tuition
- Increases need-based undergraduate financial aid by \$1.3 million

Average Cost of Education

	<u>Amount*</u>	<u>% of Average</u>
Average Cost of Education	\$16,208	
<u>Undergraduates</u>		
Residents	8,899	55%
Nonresidents	22,329	138%
<u>Graduates</u>		
Residents	10,113	62%
Nonresidents	19,548	121%
<u>Residency</u>		
Residents		56%
Nonresidents		132%

*Amount includes proposed tuition and technology fee for 2011-12 (the nonresident capital and equipment fee is not comparable to the Average cost of Education).

Resident Undergraduates

	2010-11	Proposed	Increase	
	Charge	2011-12	\$	%
Tuition	\$8,055	\$8,852	\$797	9.9%
E&G Fees	43	47	4	9.9%
<i>Tuition & E&G Fees</i>	8,098	8,899	801	9.9%
Comprehensive Fee	1,491	1,610	119	8.0%
<i>Tuition & Mandatory Fees</i>	9,589	10,509	920	9.6%
<i>Room and Board</i>	6,290	6,856	566	9.0%
Total Cost	15,879	17,365	1,486	9.4%



Nonresident Undergraduates

	2010-11	Proposed	Increase	
	Charge	2011-12	\$	%
Tuition	\$21,114	\$22,254	\$1,140	5.4%
E&G Fees	612	616	4	0.7%
<i>Tuition & E&G Fees</i>	21,726	22,870	1,144	5.3%
Comprehensive Fee	1,491	1,610	119	8.0%
<i>Tuition & Mandatory Fees</i>	23,217	24,480	1,263	5.4%
Room and Board	6,290	6,856	566	9.0%
Total Cost	29,507	31,336	1,829	6.2%

Resident Graduates

	2010-11	Proposed	Increase	
	Charge	2011-12	\$	%
Tuition	\$9,399	\$10,048	\$649	6.9%
E&G Fees	43	47	4	9.9%
<i>Tuition & E&G Fees</i>	9,422	10,095	653	6.9%
Comprehensive Fee	1,491	1,610	119	8.0%
Total	10,933	11,705	772	7.1%

Nonresident Graduates

	2010-11	Proposed	Increase	
	Charge	2011-12	\$	%
Tuition	\$17,854	\$19,497	\$1,643	9.2%
E&G Fees	612	616	4	0.7%
<i>Tuition & E&G Fees</i>	18,466	20,113	1,647	8.9%
Comprehensive Fee	1,491	1,610	119	8.0%
Total	19,957	21,723	1,766	8.9%

Veterinary Medicine

Total Cost

	<u>2010-11 Charge</u>	<u>Proposed 2011-12</u>	<u>Increase</u>	
			<u>\$</u>	<u>%</u>
Virginia/Maryland Students	19,675	20,636	961	4.9%
Nonresident Students	42,704	44,608	1,904	4.5%

Benchmarking Information

2010-11 Public Virginia Institutions Instate Undergraduate

<u>Institutions</u>	<u>Tuition and Mandatory Fees</u>	<u>Total Cost</u>	<u>Rank</u>
William and Mary	\$12,188	\$20,872	1
Virginia Military Institute	12,328	19,460	2
University of Virginia	10,628	19,280	3
Christopher Newport University	9,250	18,590	4
Longwood University	9,855	17,969	5
Virginia Commonwealth University	8,817	17,343	6
George Mason University	8,684	16,624	7
James Madison University	7,860	15,880	8
Virginia Tech	9,589	15,879	9
University of Mary Washington	7,862	15,874	10
Old Dominion University	7,708	15,610	11
University of Virginia's College at Wise	7,194	15,545	12
Radford University	7,694	14,996	13
Virginia State University	6,570	14,722	14
Norfolk State University	6,227	13,849	15

2010-11 Public Virginia Institutions Out-of-State Undergraduate

<u>Institutions</u>	<u>Tuition and Mandatory Fees</u>	<u>Total Cost</u>	<u>Rank</u>
William and Mary	\$33,764	\$42,448	1
University of Virginia	33,574	42,226	2
Virginia Military Institute	30,320	37,452	3
George Mason University	25,448	33,388	4
Virginia Commonwealth University	21,949	30,475	5
Virginia Tech	23,217	29,507	6
Old Dominion University	21,148	29,050	7
Longwood University	20,655	28,769	8
University of Virginia's College at Wise	20,316	28,667	9
James Madison University	20,624	28,644	10
University of Mary Washington	19,590	27,602	11
Christopher Newport University	17,992	27,332	12
Norfolk State University	19,280	26,902	13
Radford University	18,428	25,730	14
Virginia State University	15,136	23,288	15

2010-11 Public Peer Institutions Instate Undergraduate

<u>Institutions</u>	<u>Tuition and Mandatory Fees</u>	<u>Total Cost</u>	
	<u>\$</u>	<u>\$</u>	<u>Rank</u>
University of California, Berkeley	\$10,940	\$26,257	1
University of California, Davis	11,958	24,456	2
Pennsylvania State	15,250	24,280	3
University of Pittsburgh	14,936	24,166	4
Rutgers University, New Brunswick	12,582	23,798	5
University of Illinois, Urbana	13,713	23,427	6
University of Michigan, Ann Arbor	11,837	22,059	7
University of Minnesota, Twin Cities	12,203	19,901	8
Ohio State	9,420	19,584	9
University of Texas, Austin	9,418	19,530	10
Michigan State	11,670	19,440	11
University of Colorado, Boulder	8,511	19,303	12
University of Washington, Seattle	8,701	18,811	13
University of Maryland, College Park	8,416	18,214	14
Purdue, West Lafayette	9,070	18,190	15
SUNY at Buffalo	7,136	17,164	16
University of Missouri-Columbia	8,501	17,108	17
Stony Brook University	6,580	16,722	18
University of Wisconsin, Madison	8,983	16,418	19
Texas A&M	8,387	16,395	20
Virginia Tech	9,589	15,879	21
North Carolina State	6,529	14,683	22
Iowa State	6,997	14,470	23
University of Florida	5,044	13,684	24

2010-11 Public Peer Institutions Out-of-state Undergraduate

<u>Institutions</u>	Tuition and Mandatory Fees	Total Cost	
	\$	\$	Rank
University of California, Berkeley	\$33,819	\$49,136	1
University of California, Davis	34,837	47,335	2
University of Michigan, Ann Arbor	36,001	46,223	3
University of Texas, Austin	31,218	41,330	4
University of Colorado, Boulder	29,493	40,285	5
University of Illinois, Urbana	28,840	38,554	6
Michigan State	29,569	37,339	7
Pennsylvania State	27,114	36,144	8
University of Florida	27,321	35,961	9
Purdue, West Lafayette	26,622	35,742	10
University of Washington, Seattle	25,329	35,439	11
Rutgers University, New Brunswick	24,044	35,260	12
University of Maryland, College Park	24,831	34,629	13
University of Pittsburgh	24,592	33,822	14
Ohio State	23,604	33,768	15
University of Wisconsin, Madison	24,233	31,668	16
Texas A&M	22,817	30,825	17
Virginia Tech	23,217	29,507	18
University of Missouri-Columbia	20,516	29,123	19
North Carolina State	19,064	27,218	20
Iowa State	18,563	26,036	21
SUNY at Buffalo	15,546	25,574	22
Stony Brook University	14,990	25,132	23
University of Minnesota, Twin Cities	16,503	24,201	24

2010-11 Public Peer Institutions Instate Graduate

<u>Institutions</u>	<u>Tuition and Mandatory Fees</u>	
	<u>\$</u>	<u>Rank</u>
University of Pittsburgh	\$18,044	1
University of Michigan, Ann Arbor	17,973	2
Pennsylvania State	17,202	3
Rutgers University, New Brunswick	16,264	4
University of Illinois, Urbana	14,909	5
University of Minnesota-Twin Cities	14,344	6
University of Maryland, College Park	13,351	7
Michigan State	12,762	8
University of Washington, Seattle	11,449	9
Ohio State	11,298	10
University of California, Davis	11,151	11
University of Wisconsin, Madison	10,937	12
Virginia Tech	10,933	13
University of Florida	10,915	14
University of California, Berkeley	10,880	15
University of Colorado, Boulder	10,430	16
University of Texas, Austin	10,154	17
SUNY at Buffalo	9,978	18
Stony Brook University	9,363	19
Purdue, West Lafayette	9,070	20
University of Missouri-Columbia	8,380	21
Texas A&M	8,152	22
Iowa State	7,969	23
North Carolina State	7,045	24

2010-11 Public Peer Institutions Out-of-state Graduate

<u>Institutions</u>	Tuition and Mandatory Fees	
	\$	Rank
University of Michigan, Ann Arbor	\$36,133	1
University of Pittsburgh	30,294	2
Pennsylvania State	29,480	3
University of Florida	28,310	4
University of Illinois, Urbana	27,313	5
Ohio State	27,228	6
University of Maryland, College Park	27,199	7
Purdue, West Lafayette	26,622	8
University of California, Davis	26,253	9
University of California, Berkeley	25,982	10
University of Colorado, Boulder	25,550	11
University of Wisconsin, Madison	25,104	12
Michigan State	25,068	13
University of Washington, Seattle	24,789	14
Rutgers University, New Brunswick	24,112	15
University of Minnesota, Twin Cities	21,442	16
University of Missouri-Columbia	20,025	17
Virginia Tech	19,957	18
Iowa State	19,397	19
University of Texas, Austin	19,316	20
North Carolina State	19,093	21
SUNY at Buffalo	15,388	22
Texas A&M	14,896	23
Stony Brook University	14,773	24

Questions?