



Board of Visitors

**BUDGET PRESENTATION AND PUBLIC COMMENT SESSION**  
**1:00 P.M.**  
**APRIL 5, 2021**  
**DAVIS PERFORMANCE HALL**  
**COVINGTON CENTER FOR VISUAL AND PERFORMING ARTS**

**DRAFT**  
**MINUTES**

**BOARD MEMBERS PRESENT**

Mr. Robert A. Archer, Rector  
Dr. Thomas Brewster  
Dr. Rachel Fowlkes  
Ms. Georgia Anne Snyder-Falkinham

**OTHERS PRESENT**

Dr. Brian O. Hemphill, President  
Ms. Karen Casteel, Secretary to the Board of Visitors and Special Assistant to the President  
Mr. Chad A. Reed, Vice President for Finance and Administration and Chief Financial Officer  
Ms. Ashley Schumaker, Chief of Staff and Vice President for Strategic Operations

**WELCOME**

Rector Robert A. Archer began by acknowledging Board of Visitors members, Ms. Georgia Anne Snyder-Falkinham, Dr. Rachel Fowlkes and Dr. Thomas Brewster, who joined him for the Budget Presentation and Public Comment Session. Rector Archer recognized that this was the University's second public comment session to allow the public to provide input to the Board of Visitors as they deliberate on the need for any changes on the tuition and fees for the coming academic year. Though required by law, he added that the Board of Visitors and the administration have always been very aware of the impact on students and their families with these decisions. Rector Archer stated that he is pleased that Radford University remains one of the very best values in higher education in the Commonwealth, ranking the third lowest in total cost. Rector Archer stated that Radford University has always provided a quality education and has always put student first, all while practicing sound business practices. Rector Archer added that he was certain that the Board of Visitors and the administration would continue to do so going forward, and focus on making the best decisions on behalf of the students.

Rector Archer invited President Brian O. Hemphill, Ph.D. to the podium.

## **COMMENTS**

President Hemphill extended his appreciation to Rector Archer for his leadership of the Board of Visitors and service to the University, as well as leading this important discussion. He also thanked Ms. Snyder-Falkinham, Dr. Fowlkes and Dr. Brewster for their willingness to participate in this important process for the University.

President Hemphill extended his appreciation to the General Assembly, including both the House and Senate, as well to the Governor, for their financial support to equalize tuition between Radford University Carilion and the main campus.

In closing, President Hemphill acknowledged Vice President for Finance and Administration and Chief Financial Officer Chad A. Reed for his leadership and his team for the comprehensive fiscal planning during this time.

## **BUDGET PRESENTATION**

Rector Archer stated that in the near future the Board of Visitors will be making important decisions on the tuition and fees for the 2021-2022 academic year. Today we will have a presentation by Vice President for Finance and Administration and Chief Financial Officer Chad A. Reed who will provide an overview of our current financial status, as well as the many factors that lead to making recommendations for moving forward.

Rector Archer continued by stating that the second part of the meeting will be a Public Comment Session. He added that the University provided notice on March 22, 2021 that the Board of Visitors would consider tuition and fees at their next meeting and provided an opportunity for the public to sign up to make comments on any potential changes in tuition and fees.

Rector Archer invited Vice President Reed to the podium.

Vice President Reed presented the financial overview in preparation for the 2021-2022 fiscal cycle. The presentation began by providing context of Radford University's budgeting and funding structure, and then Vice President Reed provided current fiscal year information for Radford University related to revenue and expenditure projections, and tuition and fee rates.

Vice President Reed provided a summary of current tuition and fee rates for 2020-21, and identified the legislative requirements of Radford University when considering tuition and fee rate changes.

Vice President Reed provided clarity on the factors impacting the fiscal considerations for Radford University's academic year 2021-2022, including the current economic outlook, legislative actions by the General Assembly, programmatic priorities, mandatory cost increases and enrollment projections.

Vice President Reed stated that it is the recommendation of the administration to propose a zero percent increase in tuition and fees for the upcoming academic year and concluded his presentation with an overview of the impact of any tuition and fee changes.

A copy of the tuition notice and the presentation are attached hereto as *Attachment A and B* and are made a part hereof.

Rector Archer thanked Vice President Reed for the informative Budget Presentation and extended his appreciation, on behalf of the Board, for the hard work he and his team are doing in positioning the University for the future.

Rector Archer stated it was time for the Public Comment Session.

Karen Castele informed Rector Archer that no one had signed up to speak at the Public Comment Session. The Rector stated that Board members would remain an additional 30 minutes in the event someone arrived to speak.

### **CLOSING**

Rector Archer thanked everyone for their participation in the meeting. A special thank you was extended to Vice President Reed for the Budget Presentation. Rector Archer shared that the Board of Visitors takes comments very seriously and that all comments are taken into consideration before decisions are made.

The meeting concluded at 2:15 p.m.

Respectfully submitted,

Karen Castele  
Secretary to the Board of Visitors and Special Assistant to the President

## Radford University Board of Visitors to Consider 2021-2022 Tuition and Fees

Radford University Board of Visitors will consider tuition and mandatory fees rates for the 2021-2022 academic year at their upcoming quarterly meeting on April 22-23, 2021.

In preparation for the meeting, the Board of Visitors will host a budget overview and public comment session on April 5, 2021 from 1 to 3 p.m. in the Davis Performance Hall in the Covington Center for Visual and Performing Arts.

During this session, Vice President for Finance and Administration and Chief Financial Officer Chad A. Reed will present the proposed 2021-2022 financial overview. Following the presentation, the Board of Visitors will receive public comment on the proposed tuition and fees rates.

The Board of Visitors will consider an increase between zero percent and six percent in both tuition and mandatory fees for undergraduate students. Radford University has maintained a strong commitment to the Highlander educational experience remaining accessible and affordable for students and their families now and into the future. Radford University remains one of the lowest total cost public institutions in Virginia and has frozen tuition for Virginia students over the last two years. Several factors will determine the final increase, including: the final budget for the Commonwealth of Virginia and specific allocations to support Radford University and Radford University Carilion, as well as student service initiatives contained in the University's 2018-2023 Strategic Plan, *Embracing the Tradition and Envisioning the Future*, rising operational costs and any state-mandated compensation increases.

### **Public Comment**

Anyone interested in the opportunity to provide public comment, please see the following.

- The public can sign up to speak at the Public Comment Session by emailing [bov@radford.edu](mailto:bov@radford.edu) until noon on Friday, April 2, 2021.
- Each speaker is limited to three minutes and must restrict their comments to tuition and fees only. A written copy of the comments is requested, but not required.
- Anyone who has not signed up to speak by the deadline may sign-in at the Public Comment Session. If time permits, they will be given an opportunity to speak.
- During the Public Comment Session, Board members will not provide comment, feedback or answer questions; however, every comment will be heard and considered.
- Written comments may be submitted to [tuition@radford.edu](mailto:tuition@radford.edu) until 5 p.m. on April 20, 2021.
- Copies of the public comments will be provided to all Board members for review prior to any decision regarding tuition and fees.
- All COVID-19 requirements and protocols will be observed, including face masks, physical distancing and room capacity.

- Please call 540-831-5426 with any questions about the process.

The Business Affairs and Audit Committee will meet on April 22, 2021 at 12:30 p.m. and the Board of Visitors meeting will begin at 9 a.m. on April 23, 2021. Both meetings will be held in the Covington Center for Visual and Performing Arts.

Radford University is providing notice of the Board of Visitors' consideration of tuition and mandatory fees rates for the 2021-2022 academic year and the opportunity for public comment in accordance with Code of Virginia §23.1-307. D. and E.

Posted: March 22, 2021

# Financial Overview

## Preparation for Fiscal Cycle 2021-22

**RADFORD**  
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# RADFORD UNIVERSITY – Agency 217

Educational &  
General (E&G)

Student Financial  
Assistance

Sponsored  
Programs

Auxiliary  
Enterprises

Capital Outlay  
*(Non-Operating)*

- 101: Instruction\*
- 102: Research\*
- 103: Public Service\*

108: Scholarships  
Fellowship

110: Sponsored Programs

809: Food Service  
Bookstore  
Residential Services  
Parking/Transport  
Telecommunications  
Student Union  
Recreation Programs  
Other Enterprise  
Athletics

998: Construction

104: Academic Support

General Fund  
Tuition & Fees

Federal Agencies  
State Agencies  
Localities  
Private Sector  
Non-Profits  
Organizations

General Fund  
Nongeneral Fund  
Debt

105: Student Services

106: Institutional Support

107: Operations & Maint.

Student Fees  
Sales & Service

General Fund  
Tuition & Fees  
Indirect Costs  
Sales & Services

\*The primary mission of Radford University is Instruction, Research, & Public Service carried out in E&G while other programs are designed to support needs derived from E&G operations.

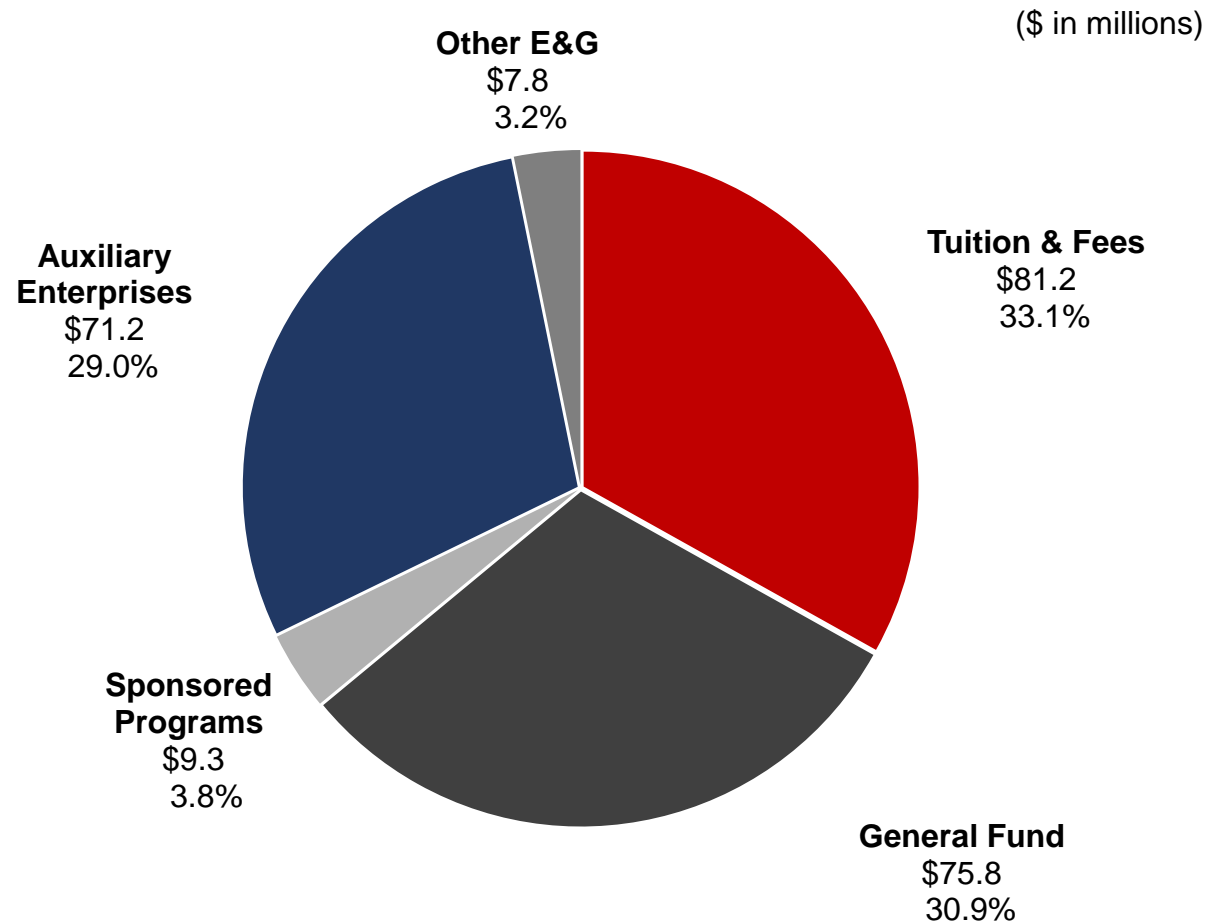
**Program Structure** – Core Functions

**Subprogram Structure** – Expenses

**Fund Structure** - Revenues

# University Operating Revenue

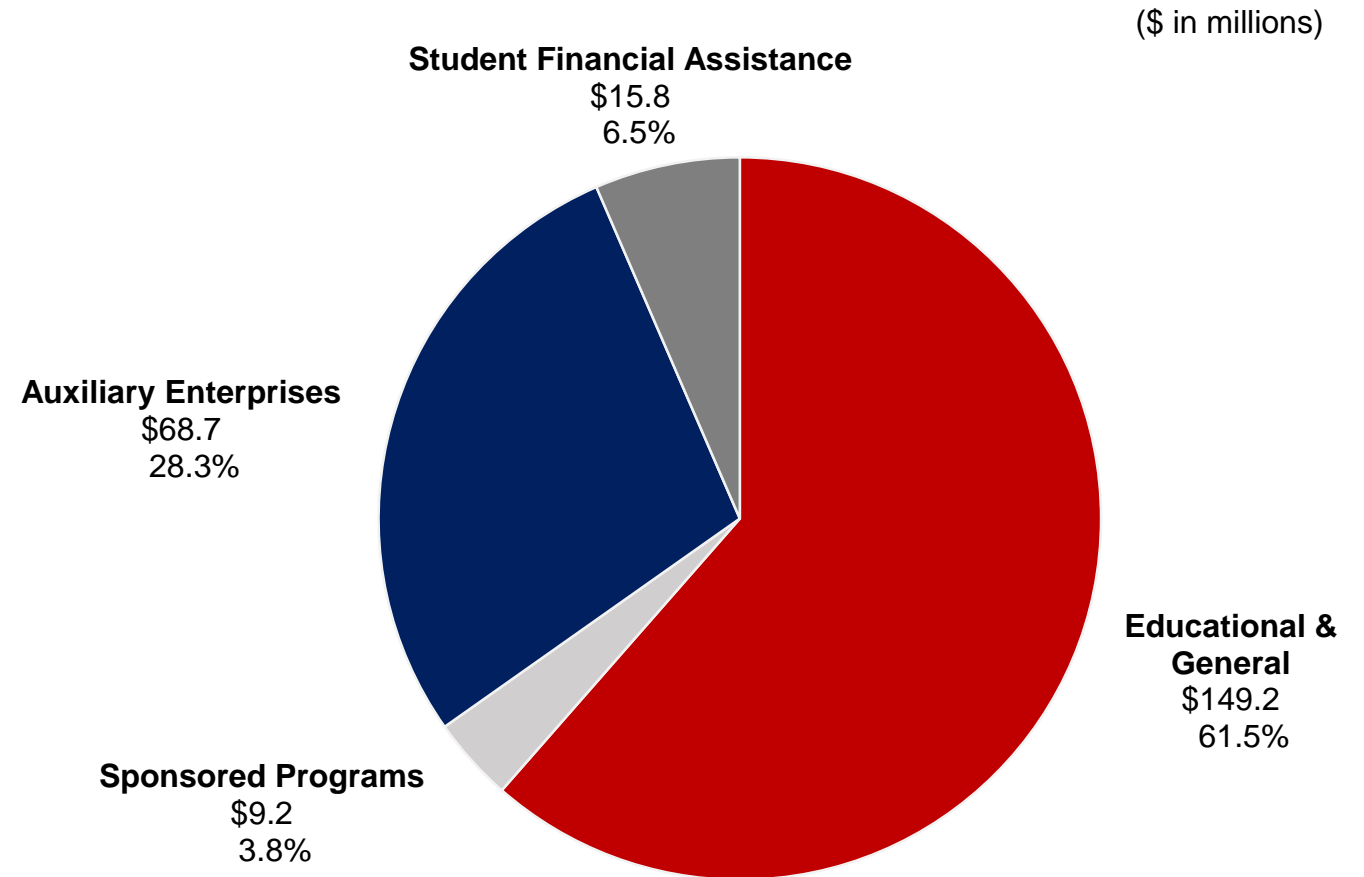
Using 2020-21 projected revenues, Radford University's total annual operating revenue budget is **\$245.4 million**.





# University Operating Expenditures

Using 2020-21 projected expenditures, Radford University's total annual operating expenditure budget is **\$242.8 million**.

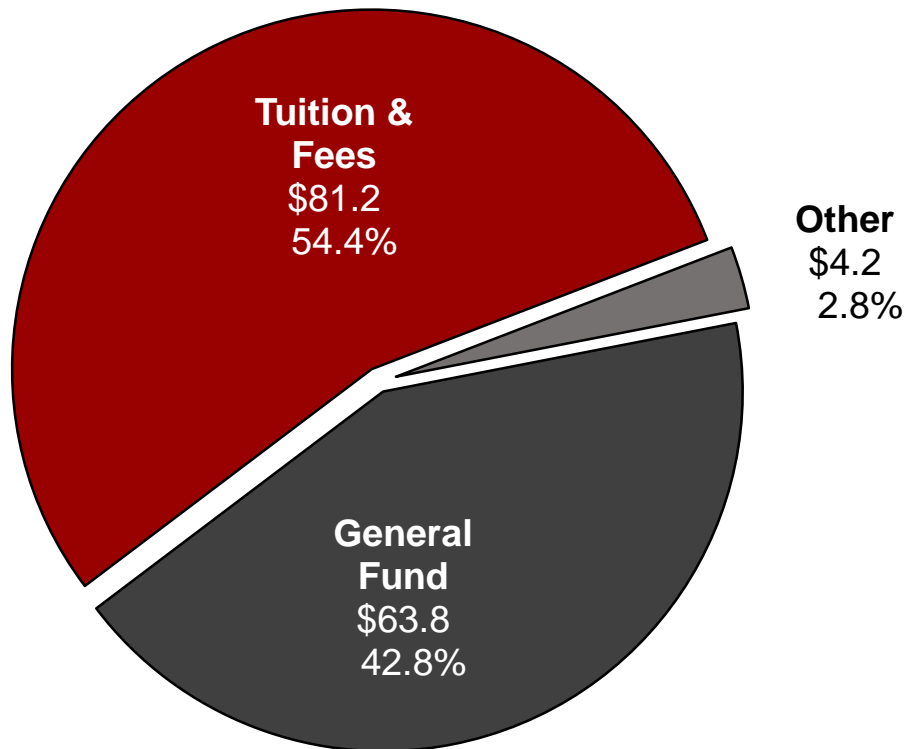


# Educational & General (E&G) Program

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# E&G Revenue by Fund Source

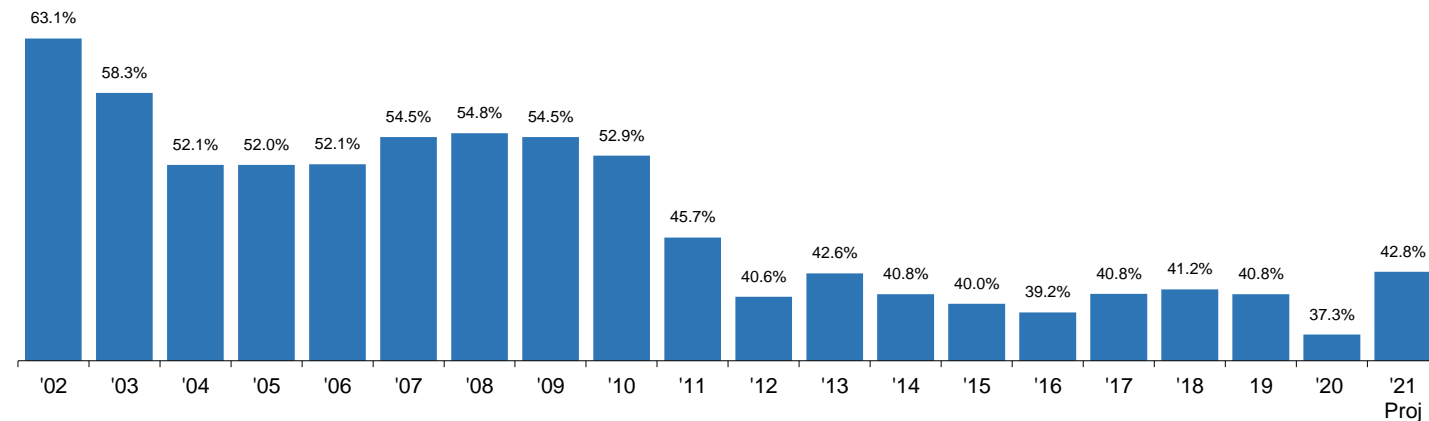
(\$ in millions)



Public Higher Education utilizes a shared cost model where both the state and student contribute.

Higher Education is not a mandated state budget item, but state policy seeks to contribute **67%** share of the cost of education.

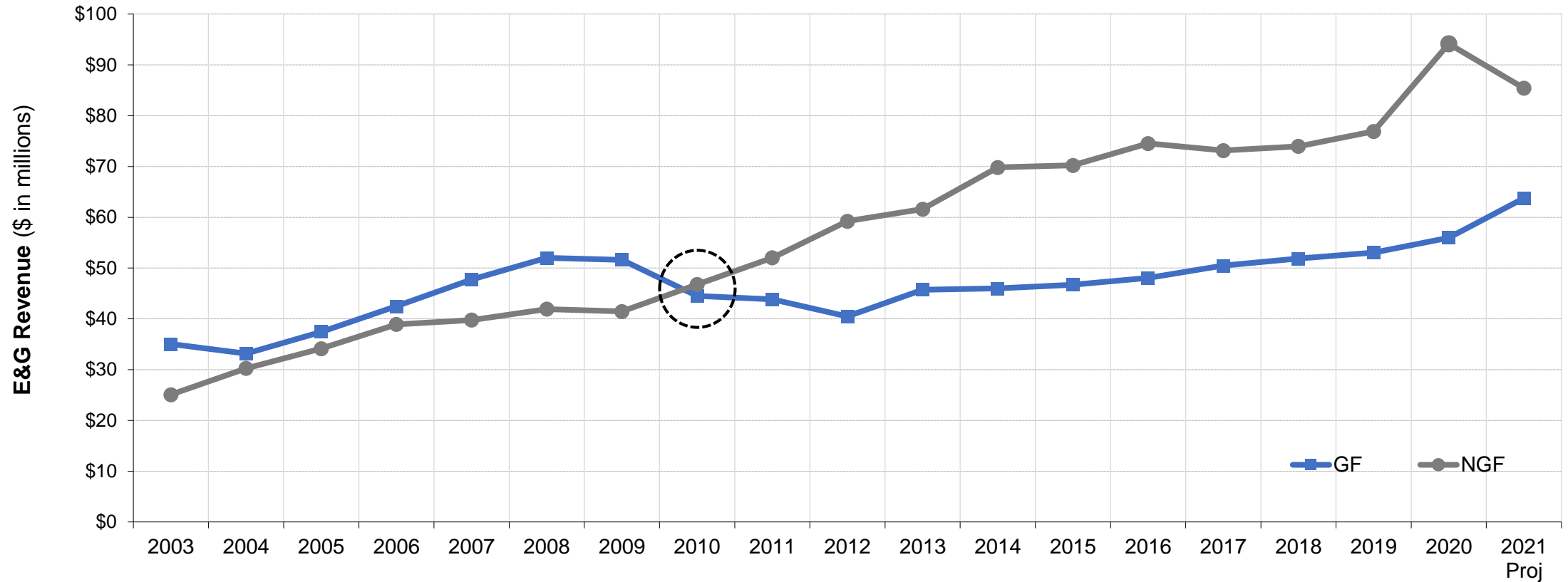
GF Percent (%) of E&G Revenue



\*2020-21 Projected

# Shift in Higher Education Funding

## Radford University E&G Funding Trend

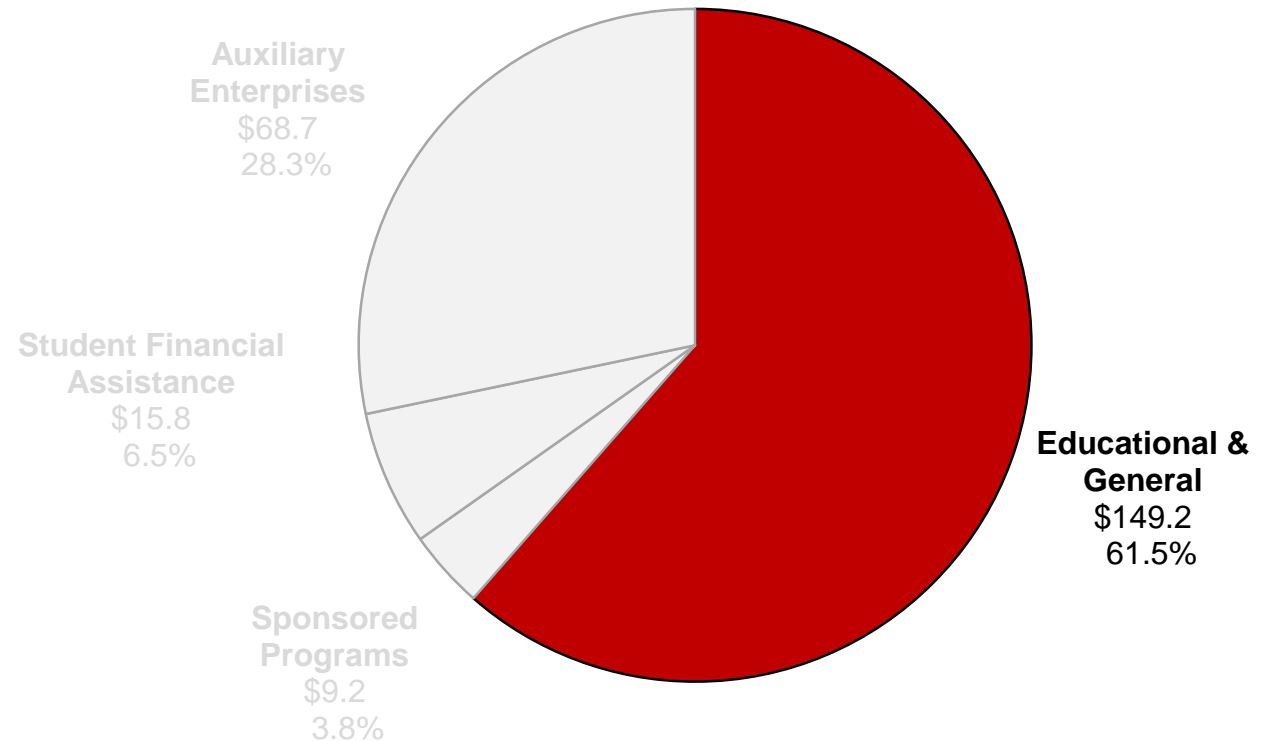


# E&G Expenditures

Projected E&G expenditures of **\$149.2 million** for 2020-21.

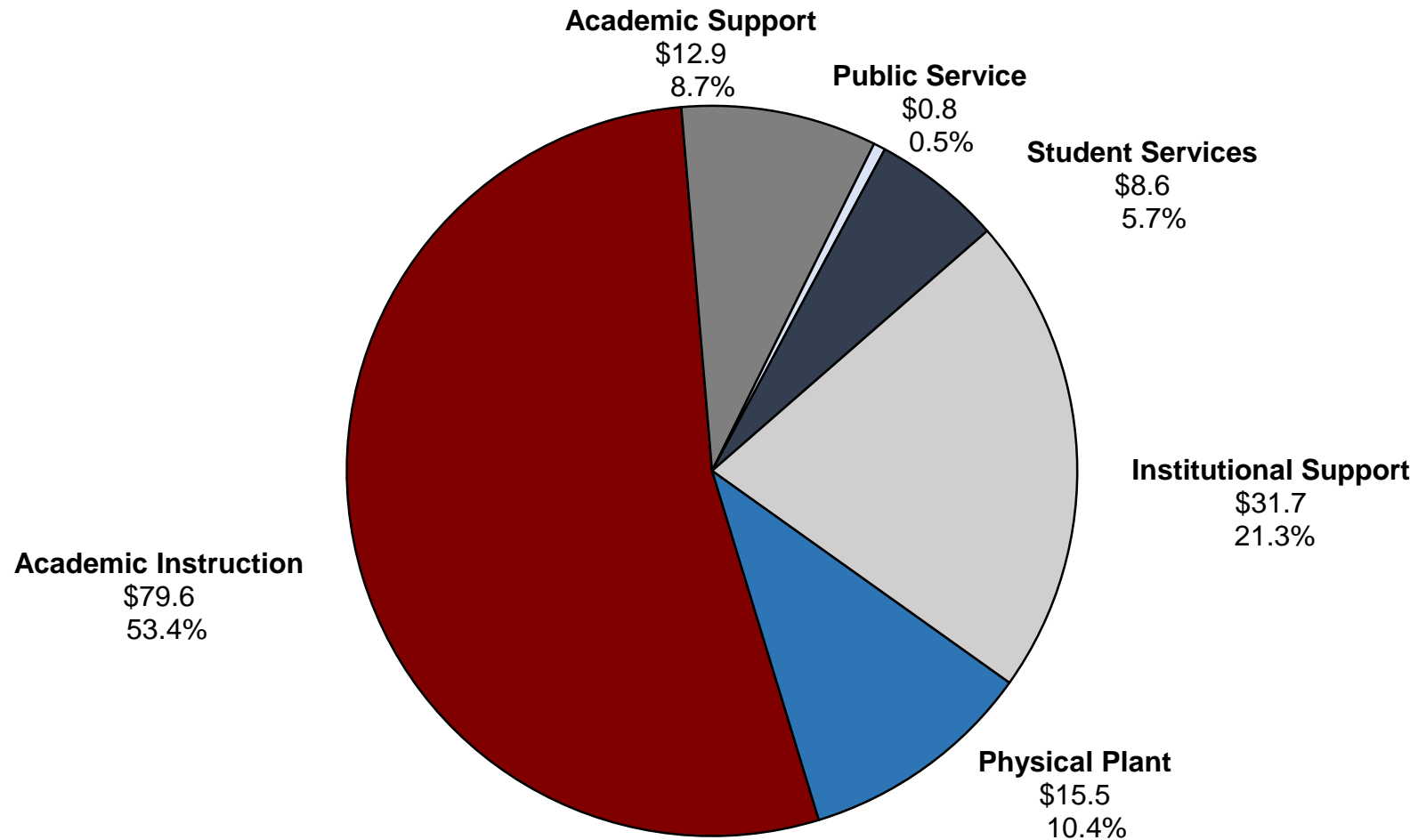
E&G expenditures represents the largest component of the budget and is where the primary mission of Instruction, Research, and Public Service is funded.

(\$ in millions)



# E&G Expenditures by Subprogram

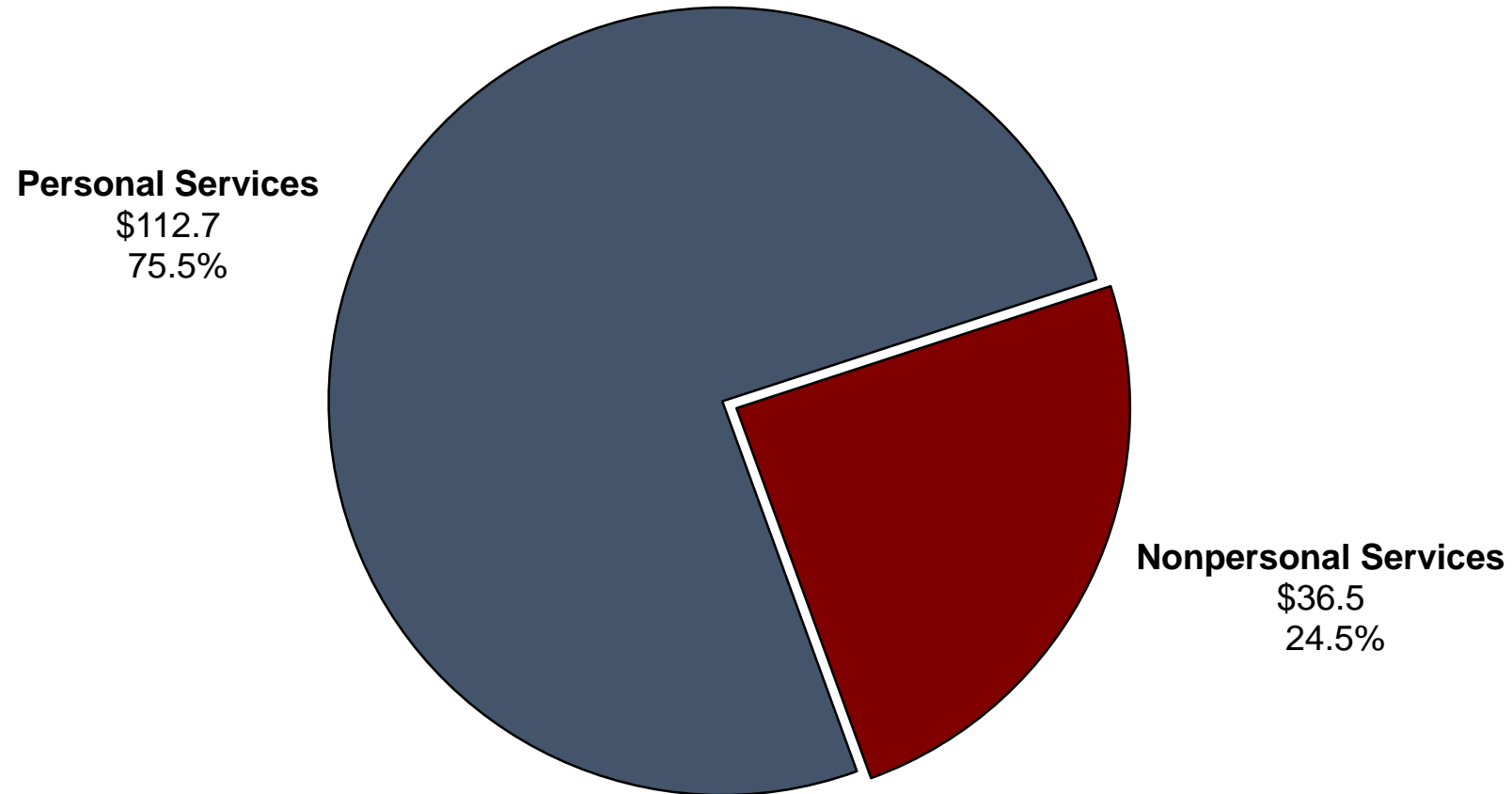
(\$ in millions)



# E&G Expenditures by Category

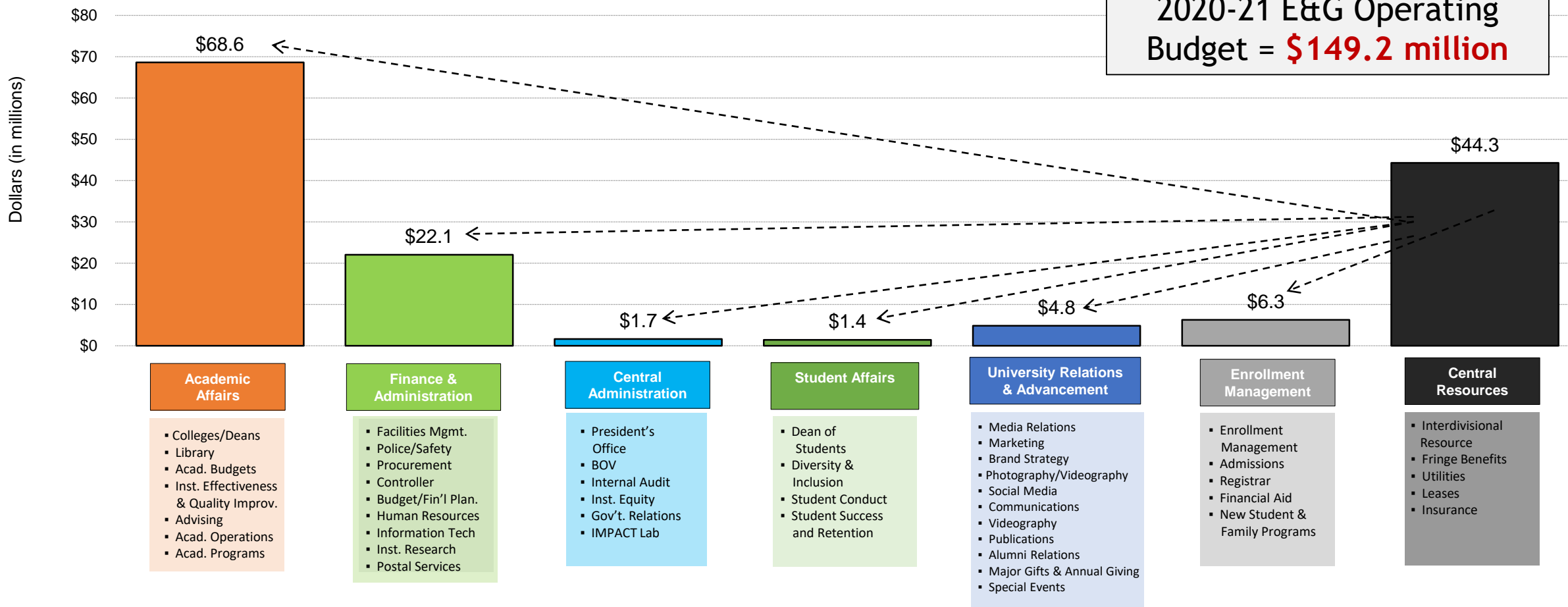
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(\$ in millions)



# E&G Operating Allocations

2020-21 E&G Operating Budget = **\$149.2 million**



- Academic Affairs**
- Colleges/Deans
  - Library
  - Acad. Budgets
  - Inst. Effectiveness & Quality Improv.
  - Advising
  - Acad. Operations
  - Acad. Programs

- Finance & Administration**
- Facilities Mgmt.
  - Police/Safety
  - Procurement
  - Controller
  - Budget/Fin'l Plan.
  - Human Resources
  - Information Tech
  - Inst. Research
  - Postal Services

- Central Administration**
- President's Office
  - BOV
  - Internal Audit
  - Inst. Equity
  - Gov't. Relations
  - IMPACT Lab

- Student Affairs**
- Dean of Students
  - Diversity & Inclusion
  - Student Conduct
  - Student Success and Retention

- University Relations & Advancement**
- Media Relations
  - Marketing
  - Brand Strategy
  - Photography/Videography
  - Social Media
  - Communications
  - Videography
  - Publications
  - Alumni Relations
  - Major Gifts & Annual Giving
  - Special Events

- Enrollment Management**
- Enrollment Management
  - Admissions
  - Registrar
  - Financial Aid
  - New Student & Family Programs

- Central Resources**
- Interdivisional Resource
  - Fringe Benefits
  - Utilities
  - Leases
  - Insurance



# Student Financial Assistance (SFA)

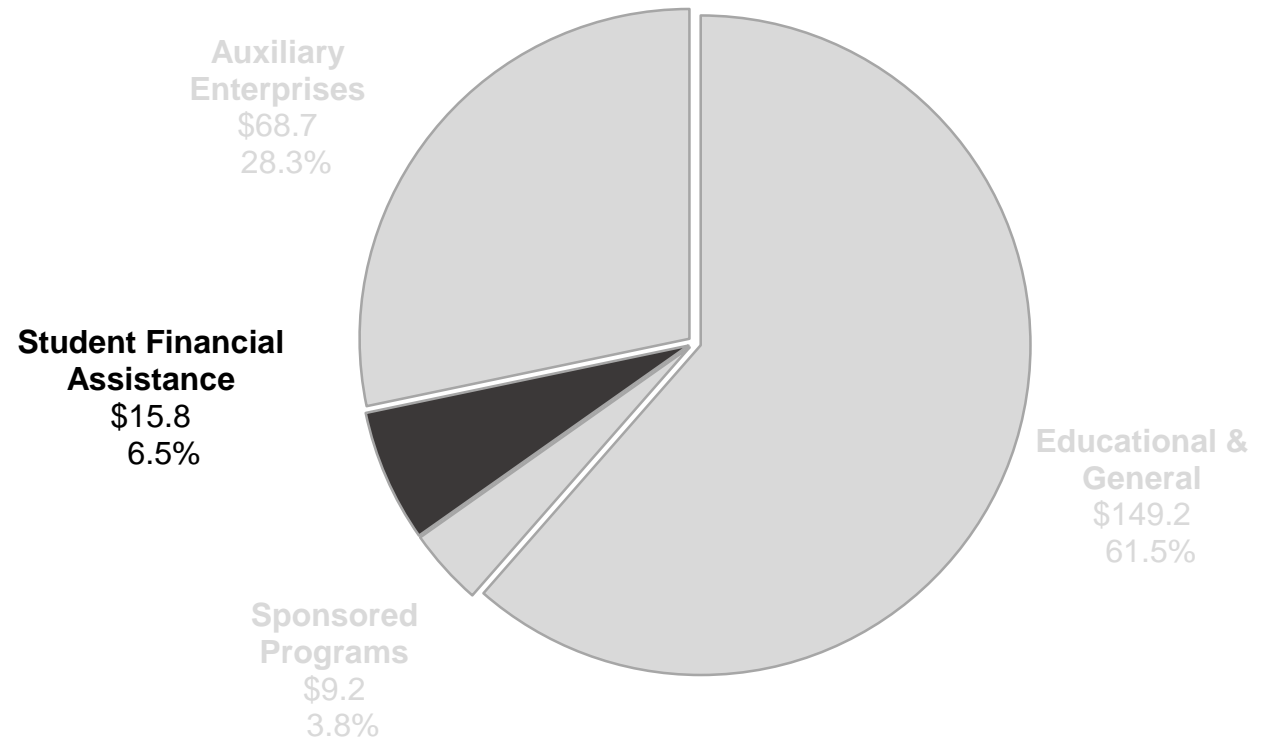
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# Student Financial Assistance

(\$ in millions)

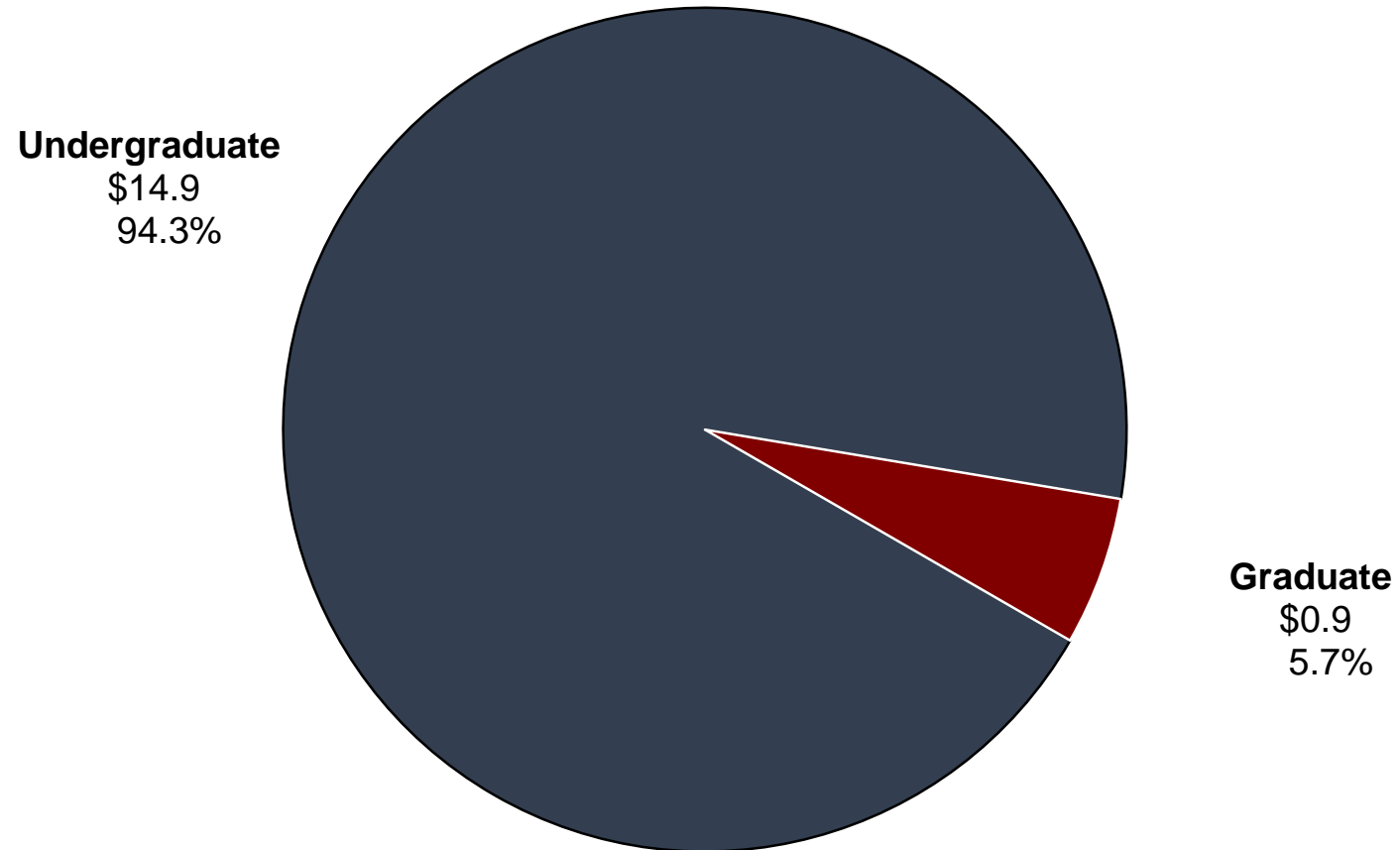
Projected Student Financial Assistance expenditures of **\$15.8 million** for 2020-21.

Student Financial Assistance expenditures represent need based scholarship awards for undergraduate students and fellowship awards to graduate students.

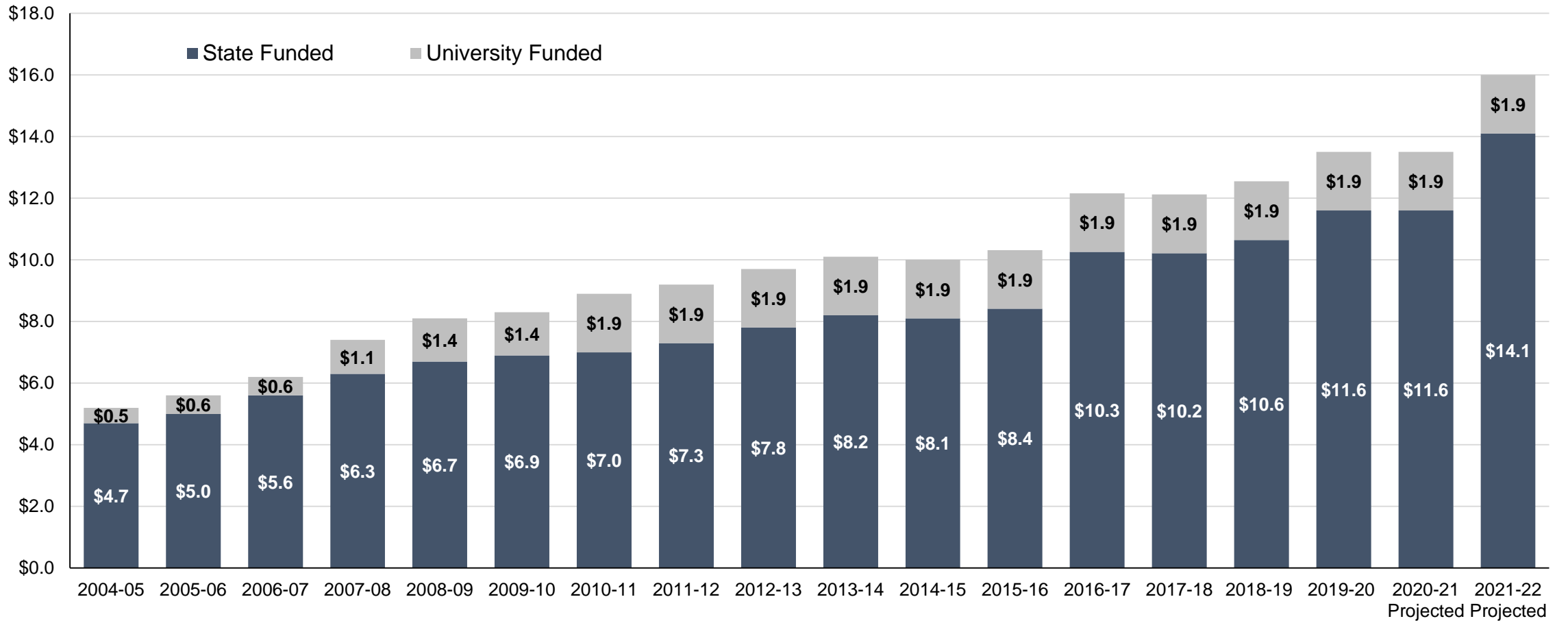


# 2020-21 Student Financial Aid by Level

(\$ in millions)



# Need Based Financial Assistance Fund



# Sponsored Programs and Grant Management

(Financial Assistance for E&G Programs)

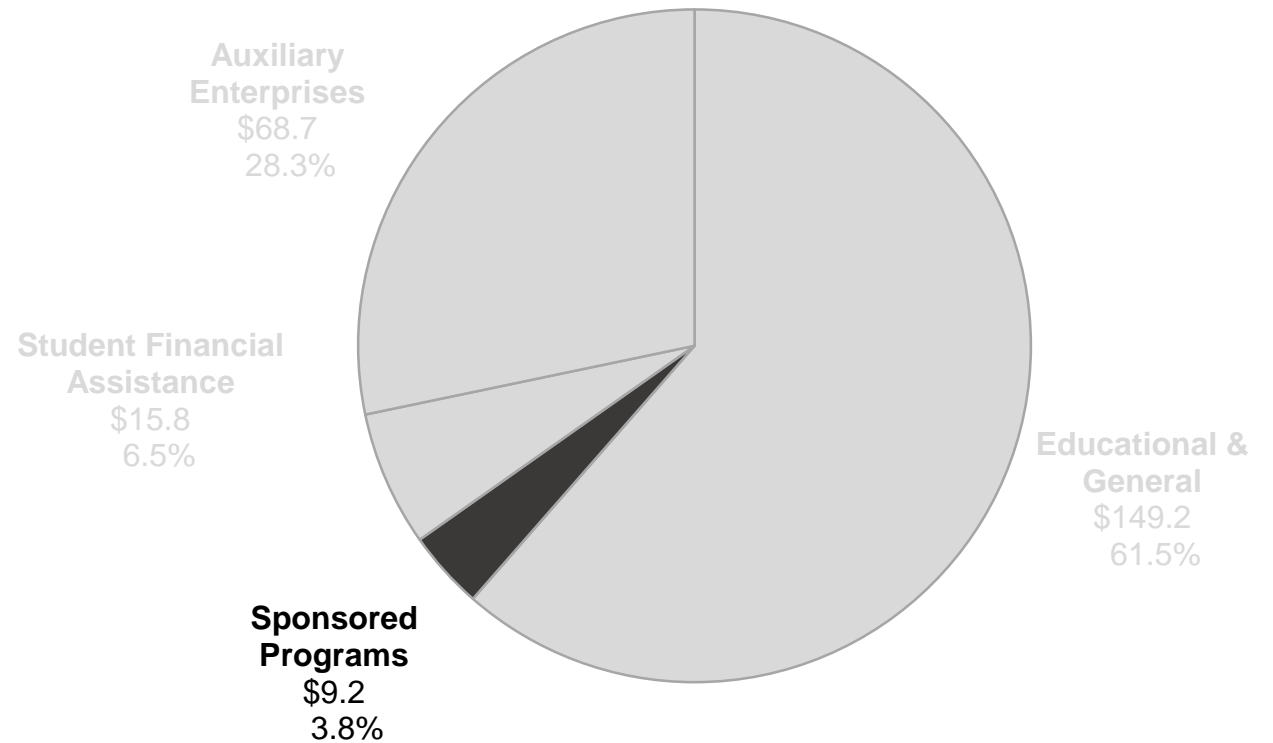
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# Sponsored Activities

(\$ in millions)

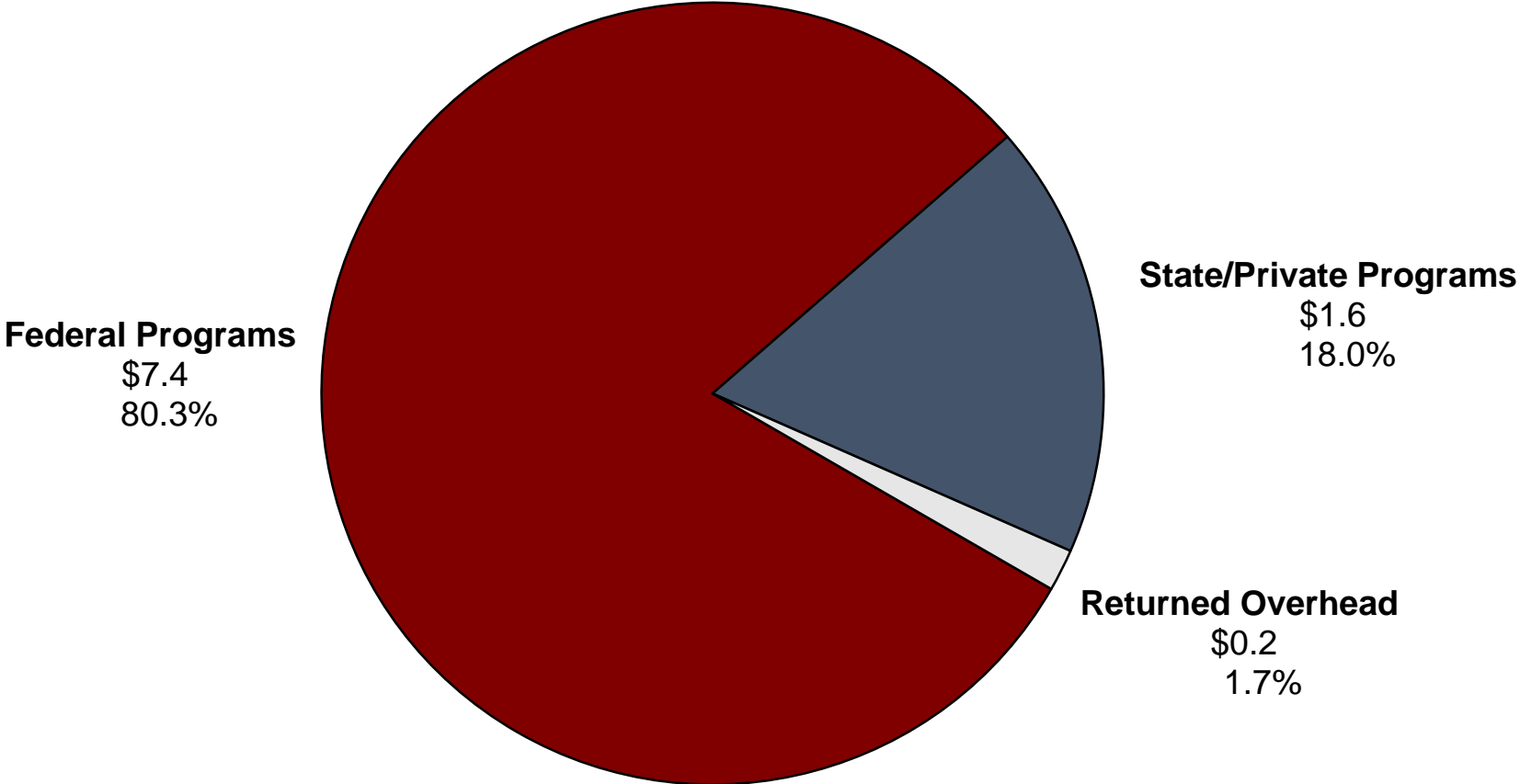
Projected Sponsored Activities expenditures of **\$9.2 million** for 2020-21.

Sponsored Programs expenditures represent grant and other externally awarded operational activity.



# Sponsored Programs by Fund Source

(\$ in millions)



\*2020-21 Projected

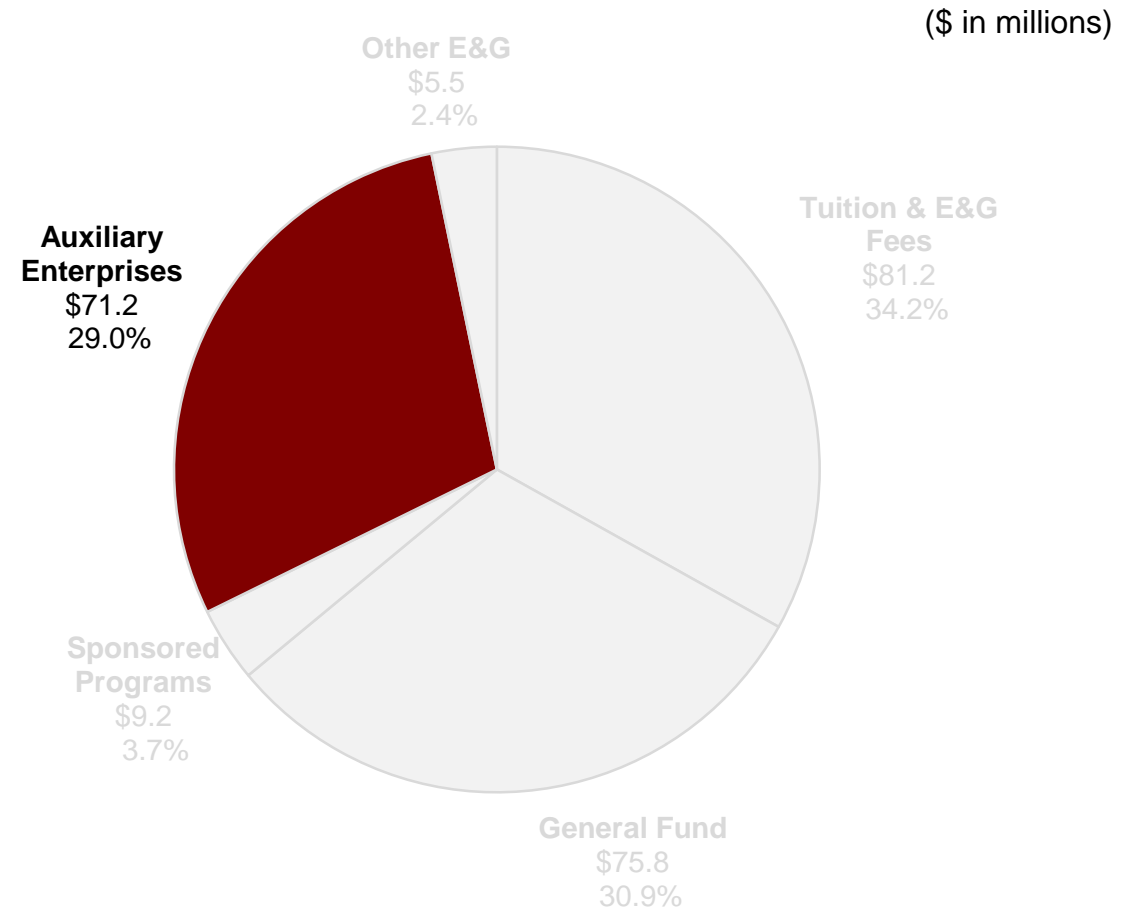
# Auxiliary Enterprise Program

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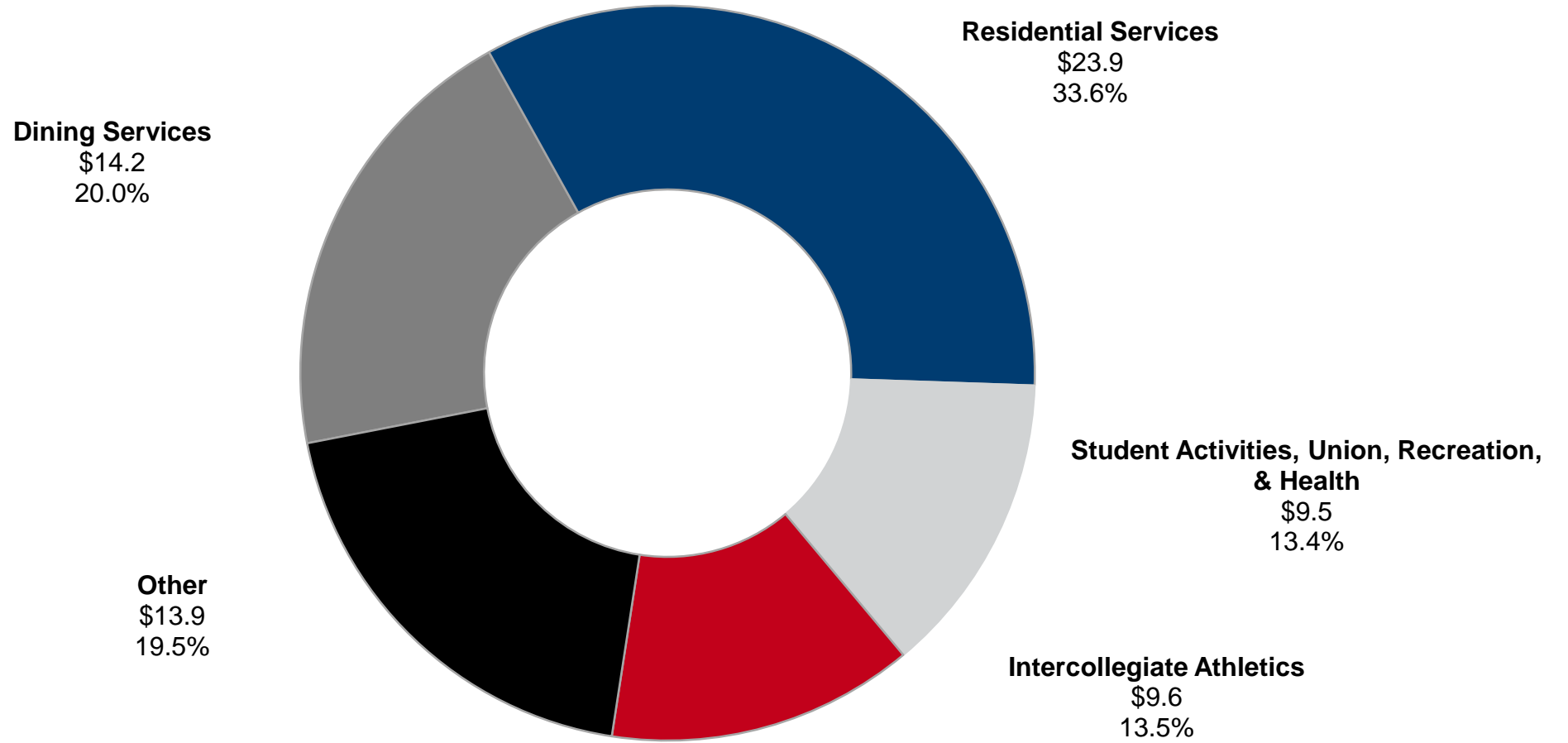
# Auxiliary Enterprise Revenue

Using 2020-21 projected revenues, Radford University's proposed total annual auxiliary revenue budget is **\$71.2 million**.



# Auxiliary Enterprise Revenue by Fund Source

(\$ in millions)

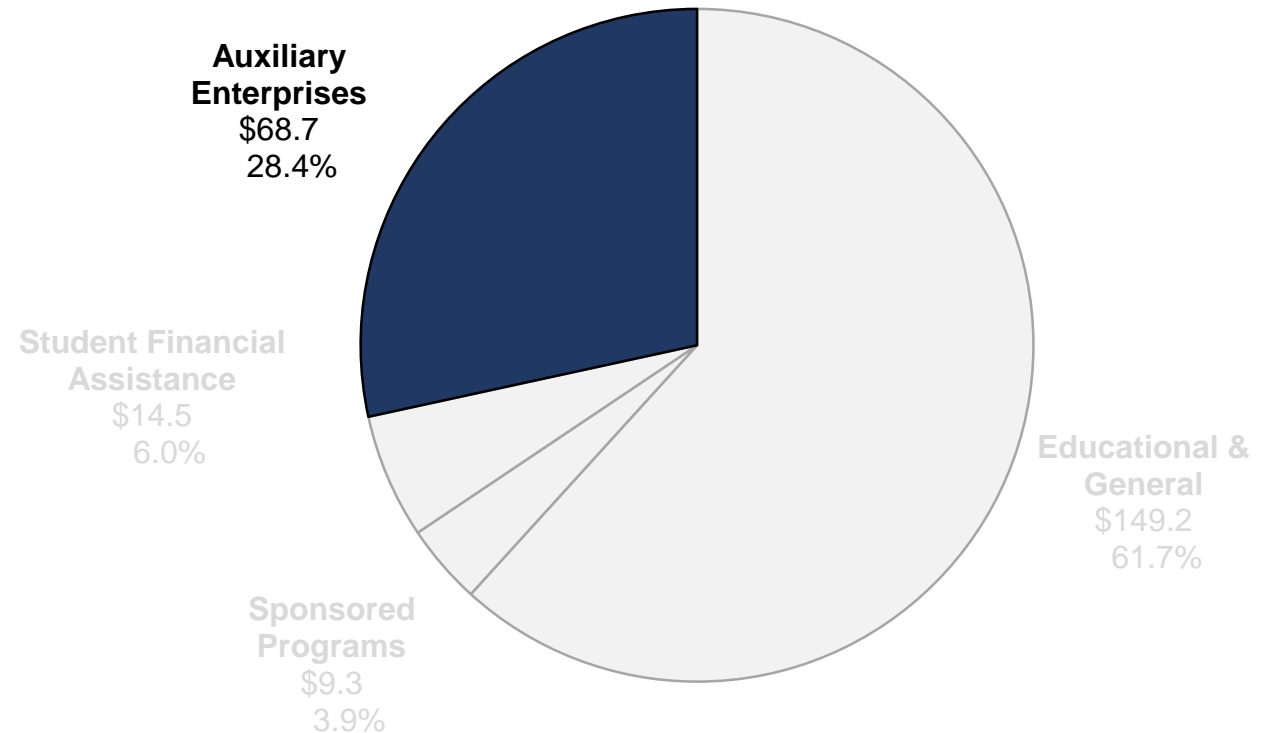


# Auxiliary Enterprise Expenditures

Projected Auxiliary expenditures of **\$68.7 million** for 2020-21.

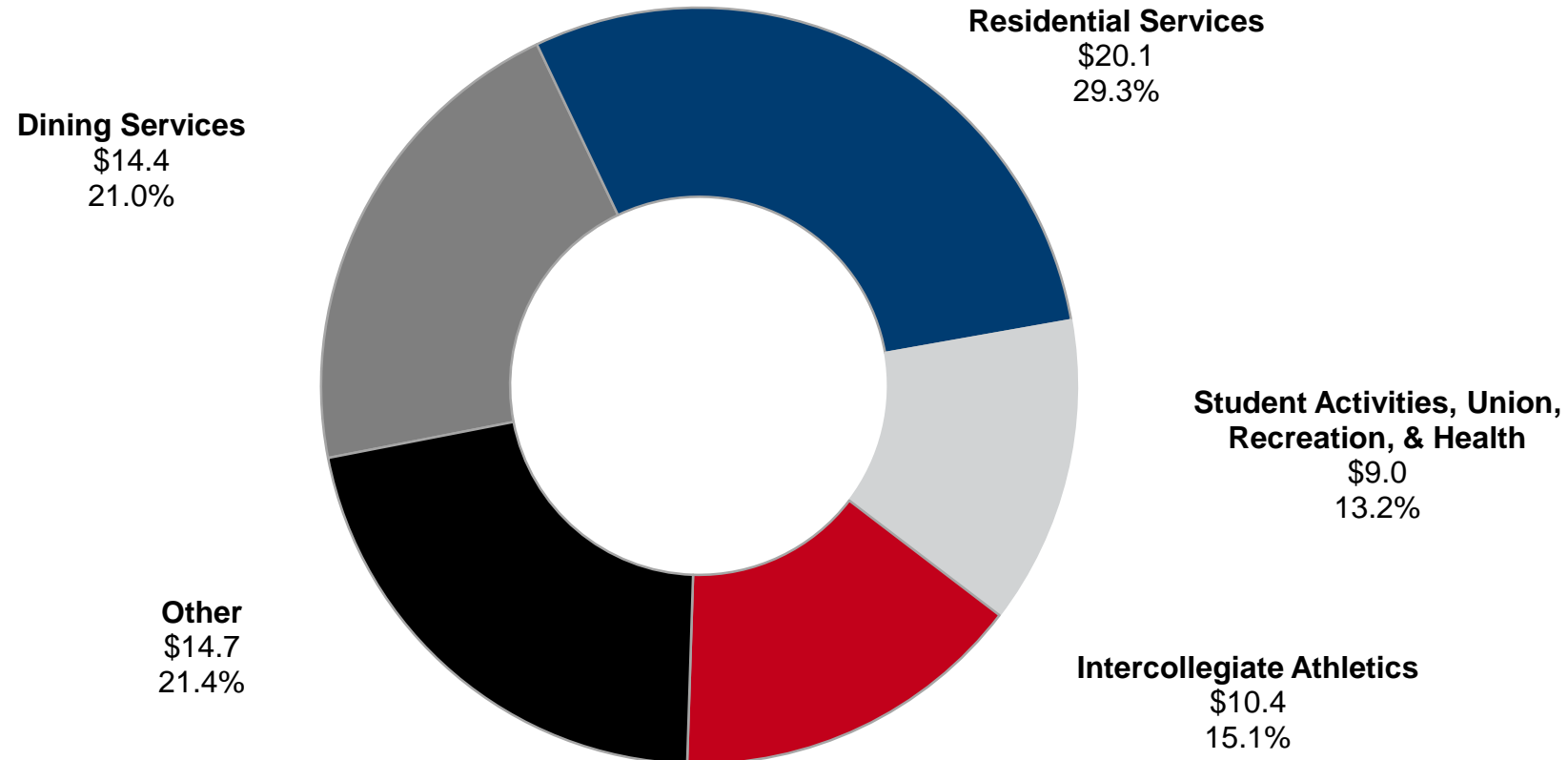
Auxiliary Enterprise expenditures represent self-sustaining operations supporting student service activities; such as residence life, dining, athletics, etc.

(\$ in millions)



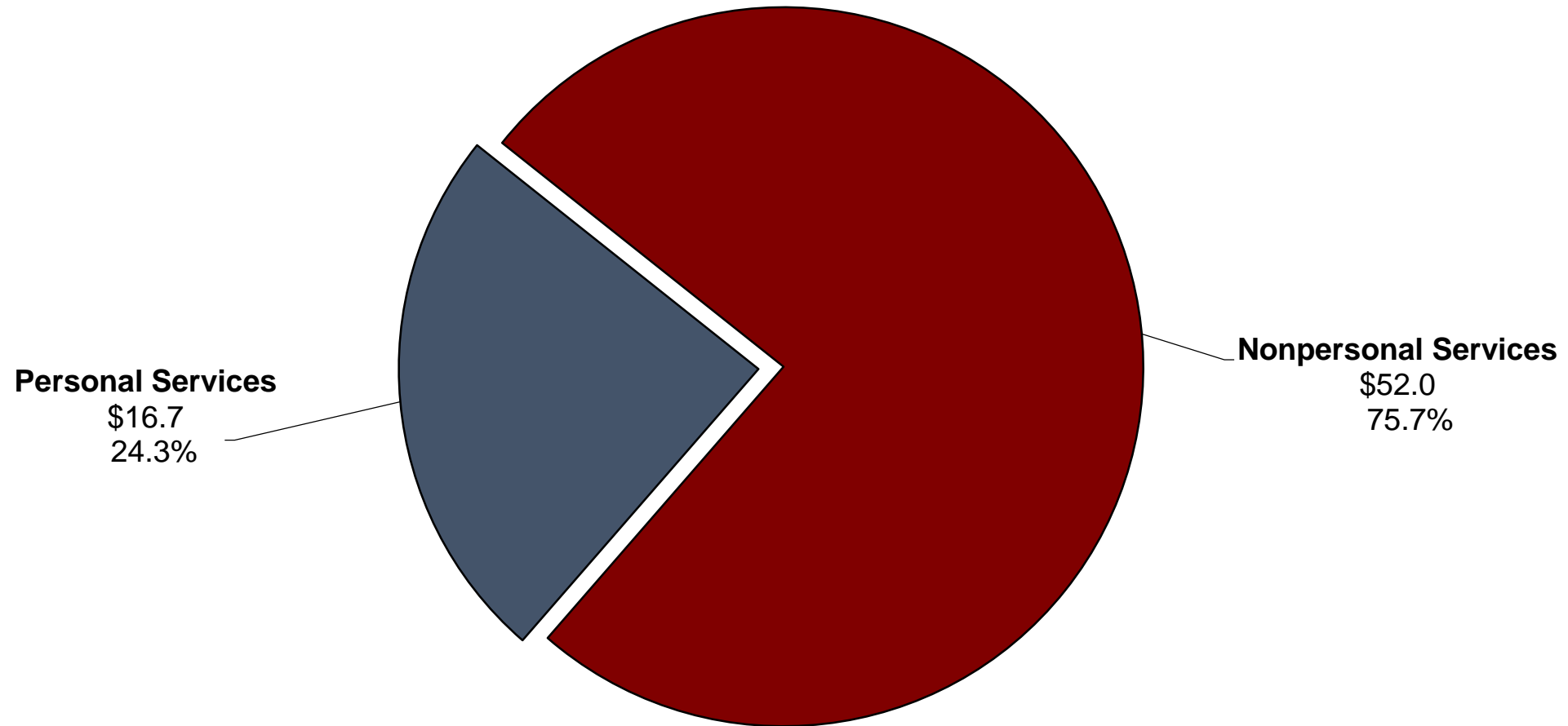
# Auxiliary Enterprise Expenditures by Program

(\$ in millions)



# Auxiliary Enterprise Expenditures by Category

(\$ in millions)



# Tuition and Fees

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# Main Campus Tuition and Fee Rates

	2020-21 Tuition and Fee Summary			
	Undergraduate		Graduate	
	In-State	Out-of-State	In-State	Out-of-State
Tuition	\$7,922	\$19,557	\$8,915	\$17,441
Mandatory Technology Fee	58	58	58	58
Mandatory Capital Fee	N/A	447	N/A	447
<b>Tuition and Mandatory E&amp;G Fees</b>	<b>7,980</b>	<b>20,062</b>	<b>8,973</b>	<b>17,946</b>
Mandatory Comprehensive Fee	3,436	3,436	3,436	3,436
<b>Subtotal Total Tuition and Fees</b>	<b>11,416</b>	<b>23,498</b>	<b>12,409</b>	<b>21,382</b>
Room - Standard Double	5,495	5,495	N/A	N/A
Board - 19 Meal Plan	4,356	4,356	N/A	N/A
<b>Additional On-Campus Charges</b>	<b>9,851</b>	<b>9,851</b>	-	-
<b>Total ("Sticker") Price</b>	<b>\$21,267</b>	<b>\$33,349</b>	<b>\$12,409</b>	<b>\$21,382</b>

According to SCHEV, in 2020-21 the average cost to educate a student at Radford University is **\$14,910**

Therefore, for example, In-State Undergraduates Tuition and E&G Fees only comprise **53.5%** of the total cost

# Auxiliary Comprehensive Fee

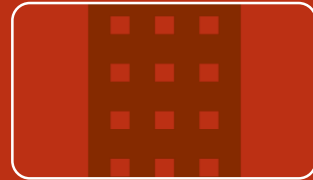
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	<u>2020-21 Rates</u>	<u>Percent of Total</u>
<b>Mandatory Comprehensive Fee</b>		
Athletics	\$1,269	36.93%
Auxiliary Building/Facilities	265	7.71%
Auxiliary Support	237	6.90%
Debt Service	306	8.91%
Recreation	309	8.99%
Student Activities	148	4.31%
Student Health	353	10.27%
Student Services	97	2.82%
Student Union	305	8.88%
Transit	147	4.28%
<b>Total Comprehensive Fee</b>	<b>\$3,436</b>	<b>100.0%</b>



# Residential Housing & Board Annual Rate Ranges

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On-Campus Rates

\$4,865 - \$8,051



Apartment Plan Rates

\$6,181 - \$8,017



Residential Board Rates

\$2,225 - \$4,356

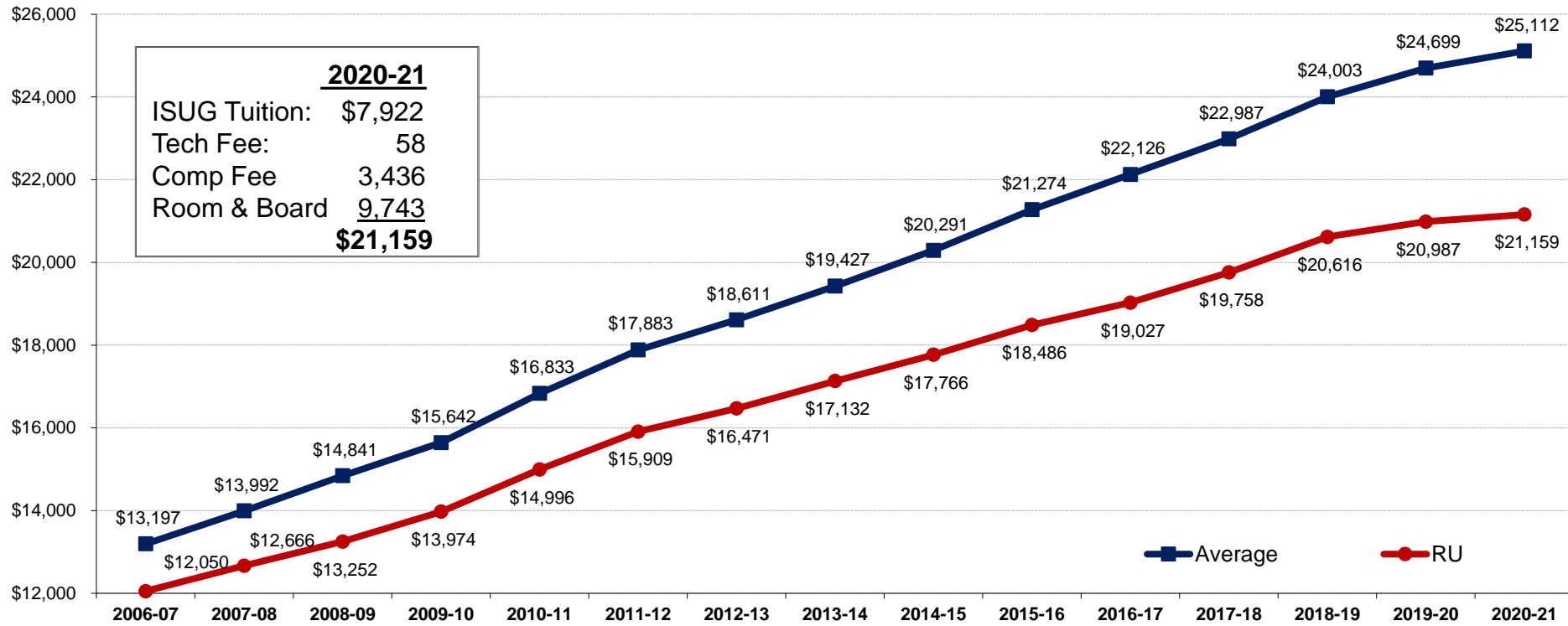


Non-Residential Board Rates

\$1,065 - \$2,136

# Main Campus Total Cost: Affordable Provider

**Comparison, In-State Undergraduate**  
 RU and Average 4-year VA Public Institutions of Higher Education



**2020-21**  
 ISUG Tuition: \$7,922  
 Tech Fee: 58  
 Comp Fee 3,436  
 Room & Board 9,743  
**\$21,159**

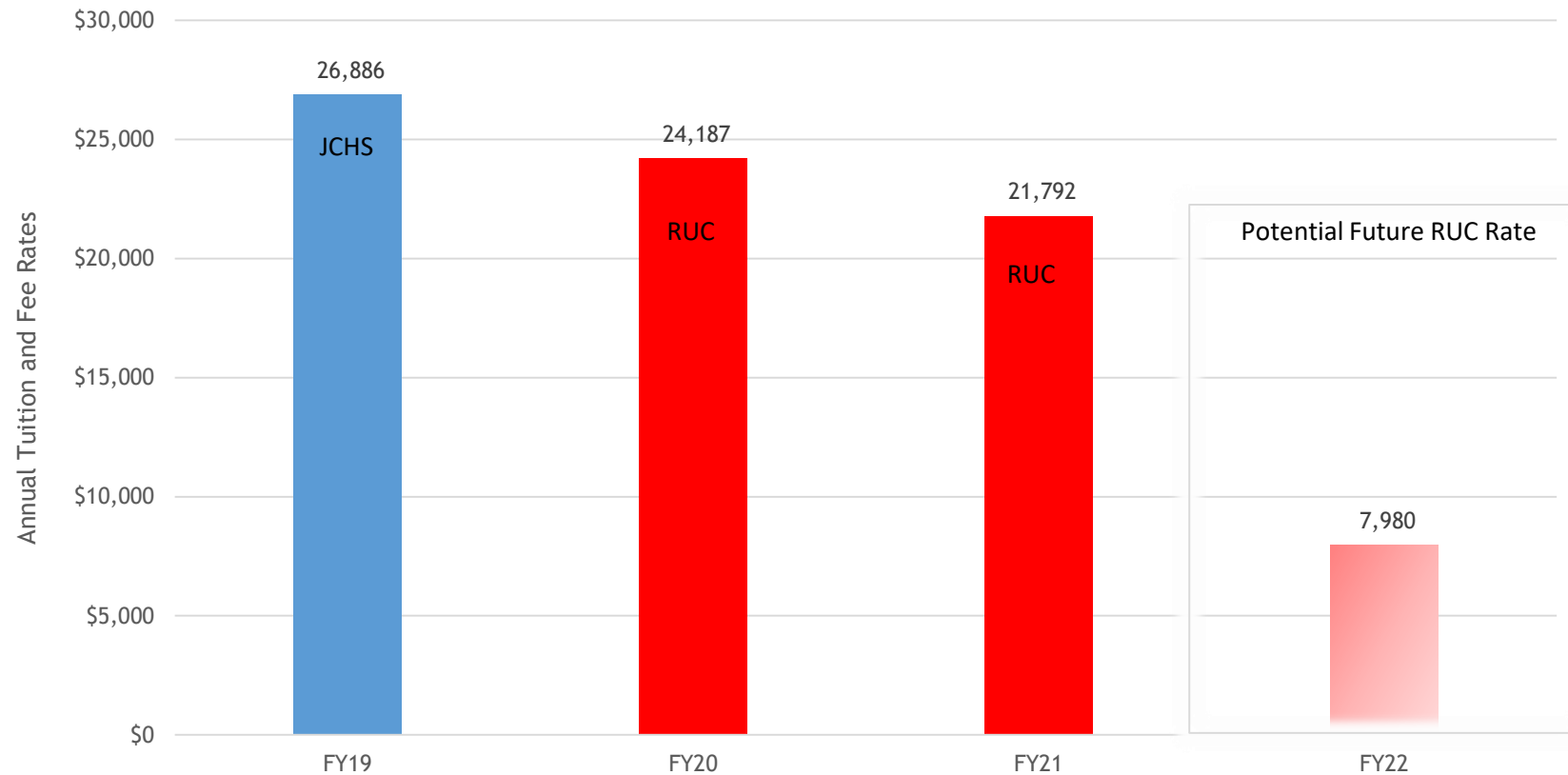
Rank	Inst.	2020-21
1	CWM	\$ 36,984
2	UVA	\$ 29,379
3	VMI	\$ 29,270
4	CNU	\$ 26,684
5	VCU	\$ 26,007
6	LU	\$ 25,930
7	GMU	\$ 25,104
8	JMU	\$ 23,678
9	UMW	\$ 23,678
10	VT	\$ 23,305
11	ODU	\$ 22,224
12	UVA-W	\$ 22,114
13	RU	\$ 21,159
14	VSU	\$ 20,698
15	NSU	\$ 20,466

Average = **\$25,112**

# Radford University Carilion (RUC) Tuition & Fee Rates

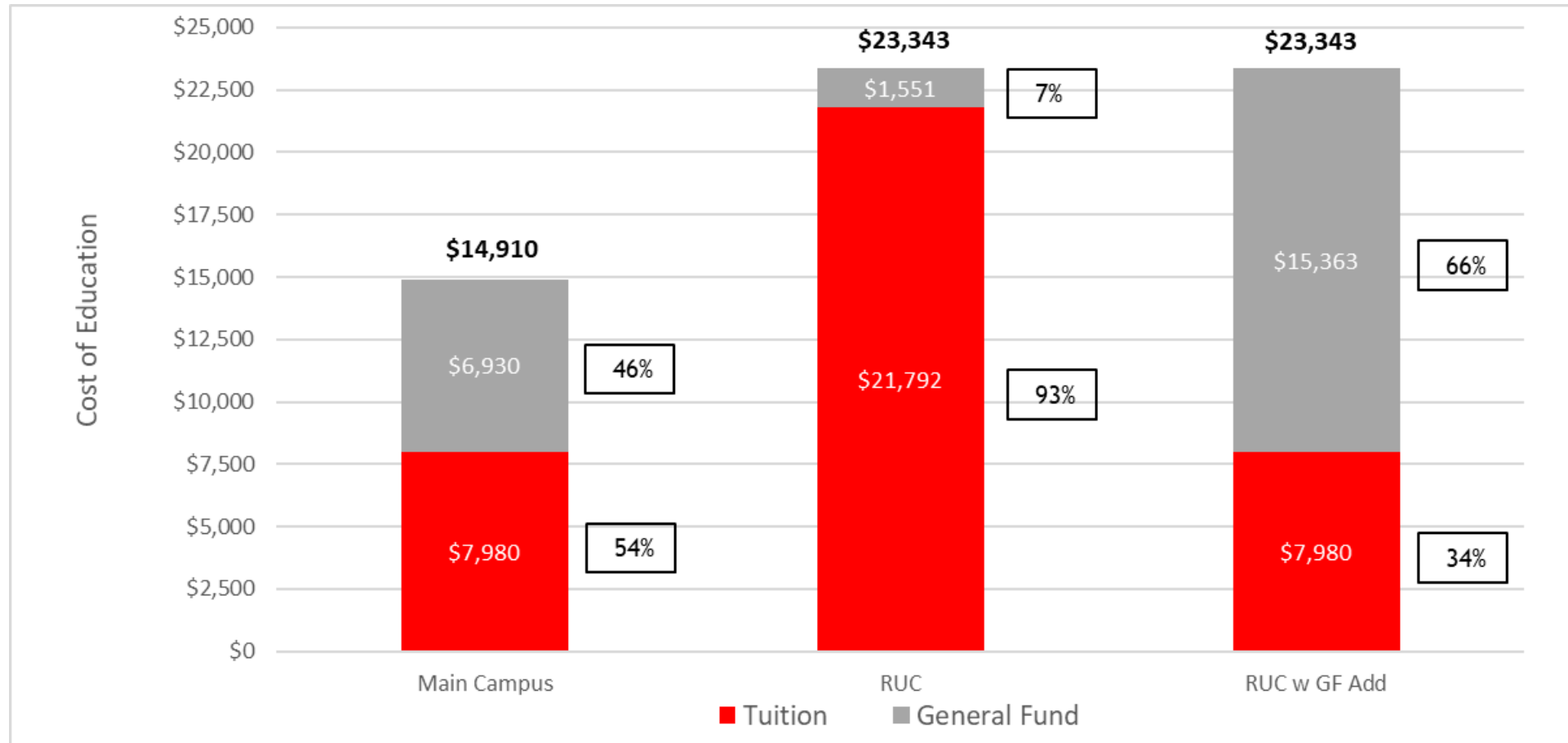
	2020-21 Tuition and Fee Summary			
	Undergraduate		Graduate	
	In-State	Out-of-State	In-State	Out-of-State
Tuition	\$7,922	\$7,922	\$4,452	\$4,452
Health Sciences Fee	6,000	6,000	250	250
Program Fee	7,400	9,795	174	174
Mandatory Technology Fee	470	470	470	470
<b>Total ("Sticker") Price</b>	<b>21,792</b>	<b>24,187</b>	<b>5,346</b>	<b>5,346</b>
<b>Residential Room Rates:</b>				
Standard Room - Fall & Spring	\$5,870			
Standard Room - Summer	\$1,500			

# RUC Undergraduate Tuition & E&G Fee Trend



\*Rates inclusive of E&G tuition and fees only.

# Main Campus and RUC Instructional Cost Make-up



# Tuition and Fee Approval Authority

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**In accordance with 2020 Acts of Assembly, Chapter 56, Section 4-2.01.b, the Board of Visitors has the authority to:**

- Set tuition and fees for all resident student groups
- Set tuition and fees for all nonresident student groups provided that students cover at least 100 percent of the average cost of their education
- Set Mandatory fees for purposes other than educational and general programs that shall not be increased for Virginia undergraduates beyond three percent annually, excluding requirements for wage, salary, and fringe benefit increases, authorized by the General Assembly

# Tuition Notice and Public Comment

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## **Code of Virginia, §23.1-307(D) and (E):**

- No governing board of any public institution of higher education shall approve an increase in undergraduate tuition or mandatory fees without providing students and the public a projected range of the planned increase, an explanation of the need for the increase, and notice of the date and location of any vote on such increase at least 30 days prior to such vote.
- The governing board of each public institution of higher education shall permit public comment on the proposed increase at a meeting

**On March 22, 2021, Radford University provided notice that the Board of Visitors will consider tuition and mandatory fees rates for the 2021-2022 academic year.**

# Fiscal Considerations Impacting 2021-22 Tuition and Fee Rates

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- I. Economic Outlook
- II. Legislative Actions
- III. Programmatic Priorities
- IV. Mandatory Cost Increases
- V. Enrollment Projections





# I - Economic Outlook

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- Virginia economy is rebounding from the pandemic and conditions are favorable.
- Commonwealth's unemployment rate was 5.2% (national avg 6.2%) - lowest since March 2020.
- Strong state revenue forecast as of January 2021 (1.2% growth forecasted with actuals at 6%)
- Implementation of COVID-19 vaccines and revised social gathering limitations.

# II - Legislative Actions

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## Initiatives:

## Allocation

RUC Tuition and Fee Alignment

\$8,000,000

Maintain Affordable Access

\$4,900,000

Undergraduate Financial Assistance

\$2,538,000

Employee Compensation Salaries & Wages

5% Increase

Minimum Wage

\$11.00/hr. (1/1/2022)

Operating Support - One-Time

\$1,330,500

COVID-19 Testing - One-Time

\$1,062,000

# Employee Compensation

The University must address a number of state mandated items that continue to be a driving force in increasing the cost of education.

- These costs must be considered prior to pursuing any programmatic opportunities.

## 2021-22 Funding Considerations

	<u>E&amp;G</u>	<u>Aux</u>	<u>Total</u>
5% Faculty/Staff Salary Increase - June 10, 2021	\$ 4,733,748	\$ 699,397	\$ 5,433,145
5% Adjunct Pay Increase - June 10, 2021	204,629	0	204,629
Minimum Wage Increase	84,600	53,820	138,420
<b>Total Cost Drivers</b>	<b>\$ 5,022,977</b>	<b>\$ 753,217</b>	<b>\$ 5,776,194</b>
General Fund Share - Estimate	(2,561,962)	0	(2,561,962)
<b>University Share</b>	<b>\$ 2,461,015</b>	<b>\$ 753,217</b>	<b>\$ 3,214,232</b>

# III - Programmatic Priorities

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## 2018-2023 Strategic Plan: *"Embracing the Tradition and Envisioning the Future"*

- The plan contains a total of six areas of focus (see below), 22 goals, and a number of strategies for achieving the University's mission and vision.

Academic Excellence and Research

Philanthropic Giving and Alumni Engagement

Brand Identity

Strategic Enrollment Growth

Economic Development and Community Partnerships

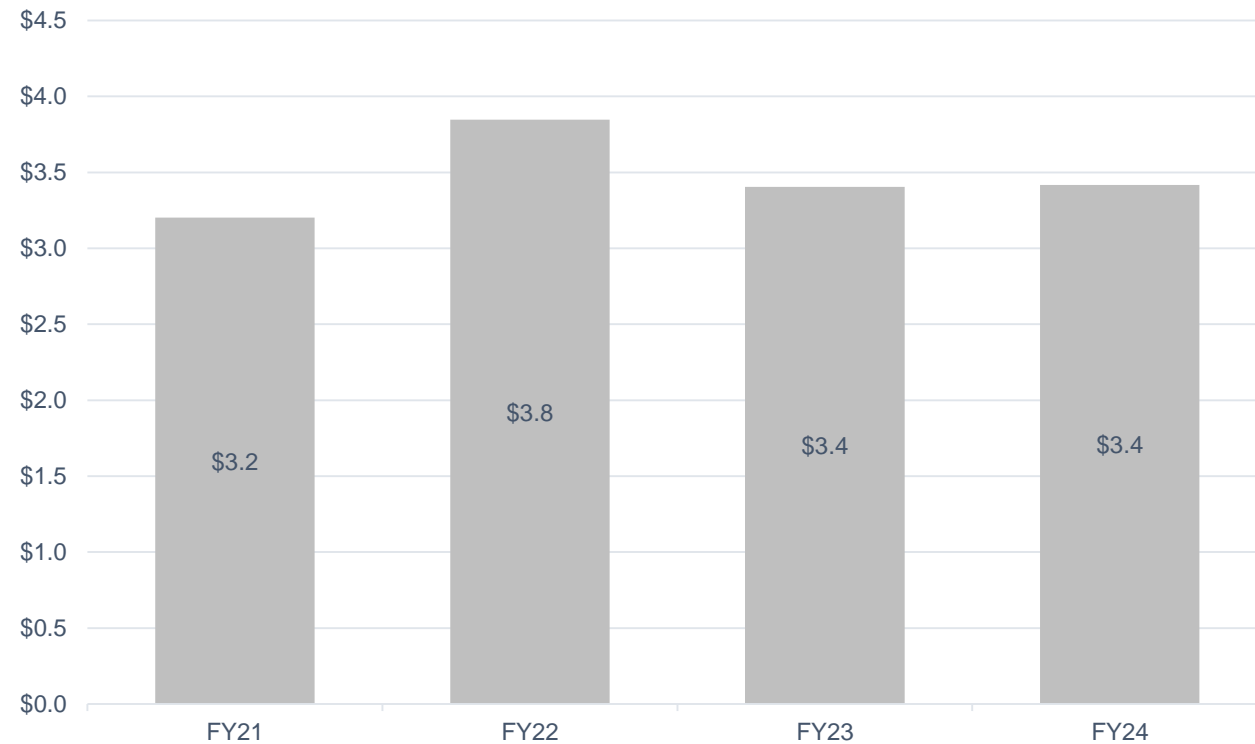
Student Success

# Highlander Distinction Program

The University is investing ~\$13M in new financial aid to be awarded from FY21 - FY24.

- Four-year, renewable scholarships for incoming students.
- Offers both merit-based and need-based awards.
- Available to both in-state and out-of-state students, are renewable throughout an undergraduate student's four years with a 3.0 GPA requirement for continued eligibility.

Annual Scholarship Investment - Change



(\$ in millions)

# IV - Mandatory Cost Increases

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**In addition to state mandated items, the University must also address mandatory cost pressures including.**

- Contractual operating commitments
- Operation and maintenance of new and existing facilities
- Contractual escalators for technology and maintenance contracts
- Escalating utilities
- Committed cost for previously approved projects
- Teaching and Research Faculty promotion and tenure contractual commitments

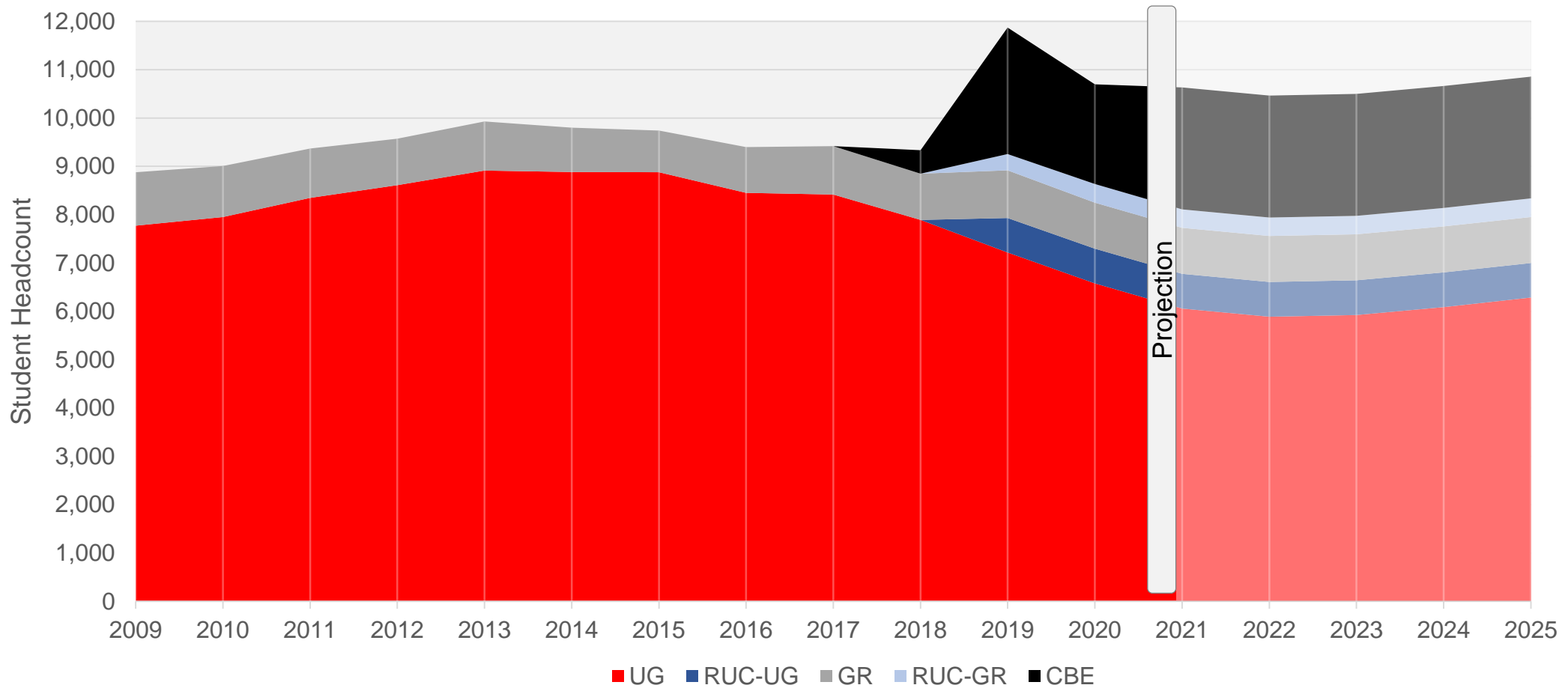
# V - Enrollment Projections

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As Non-General Fund support becomes a larger portion of the University budget, enrollment projections greatly impact the fiscal plan. The following student composition factors are critical when projecting enrollment:

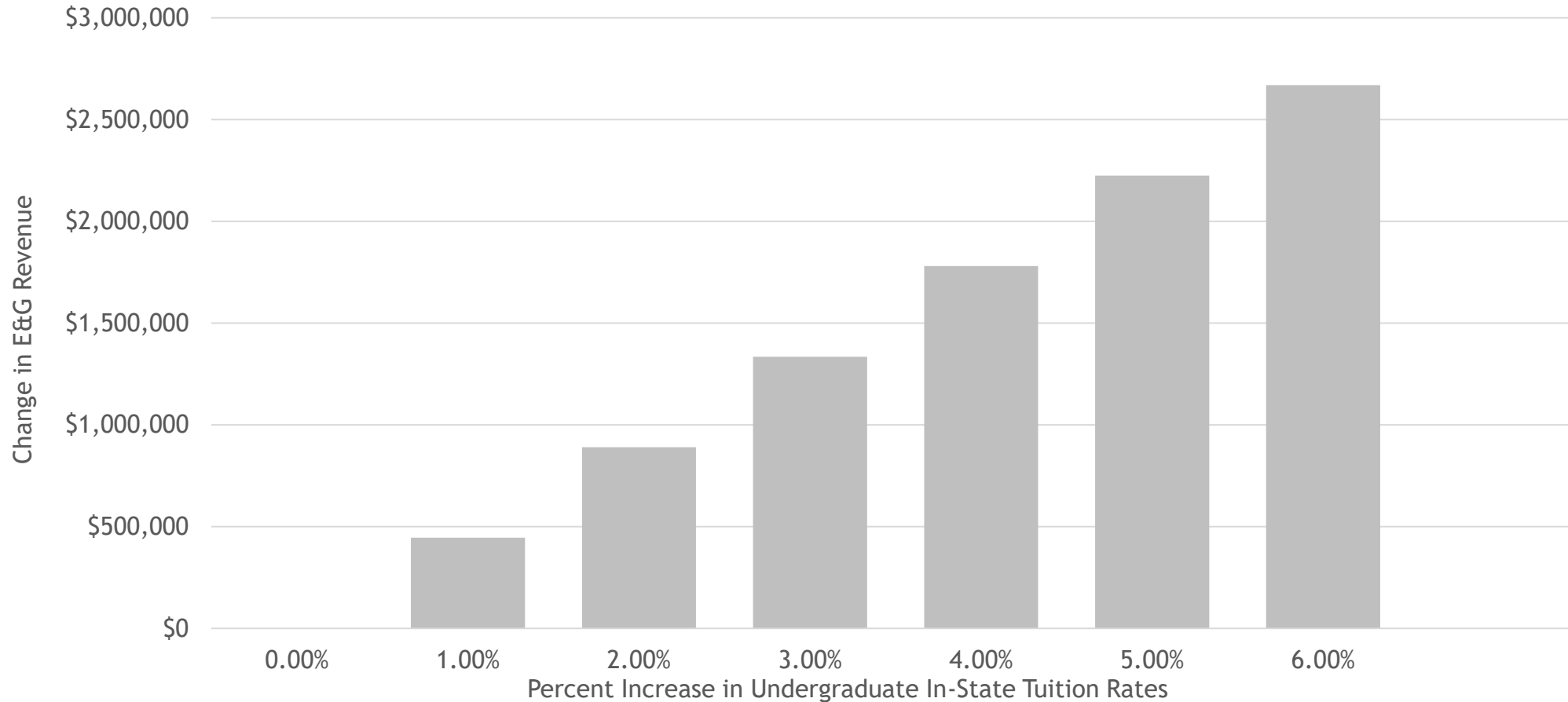
- In-State
- Main Campus
- Undergraduate
- On-Campus
- Online
- Out of State
- Radford University Carilion
- Graduate
- Off-Campus
- Seat based

# Fall Enrollment Outlook

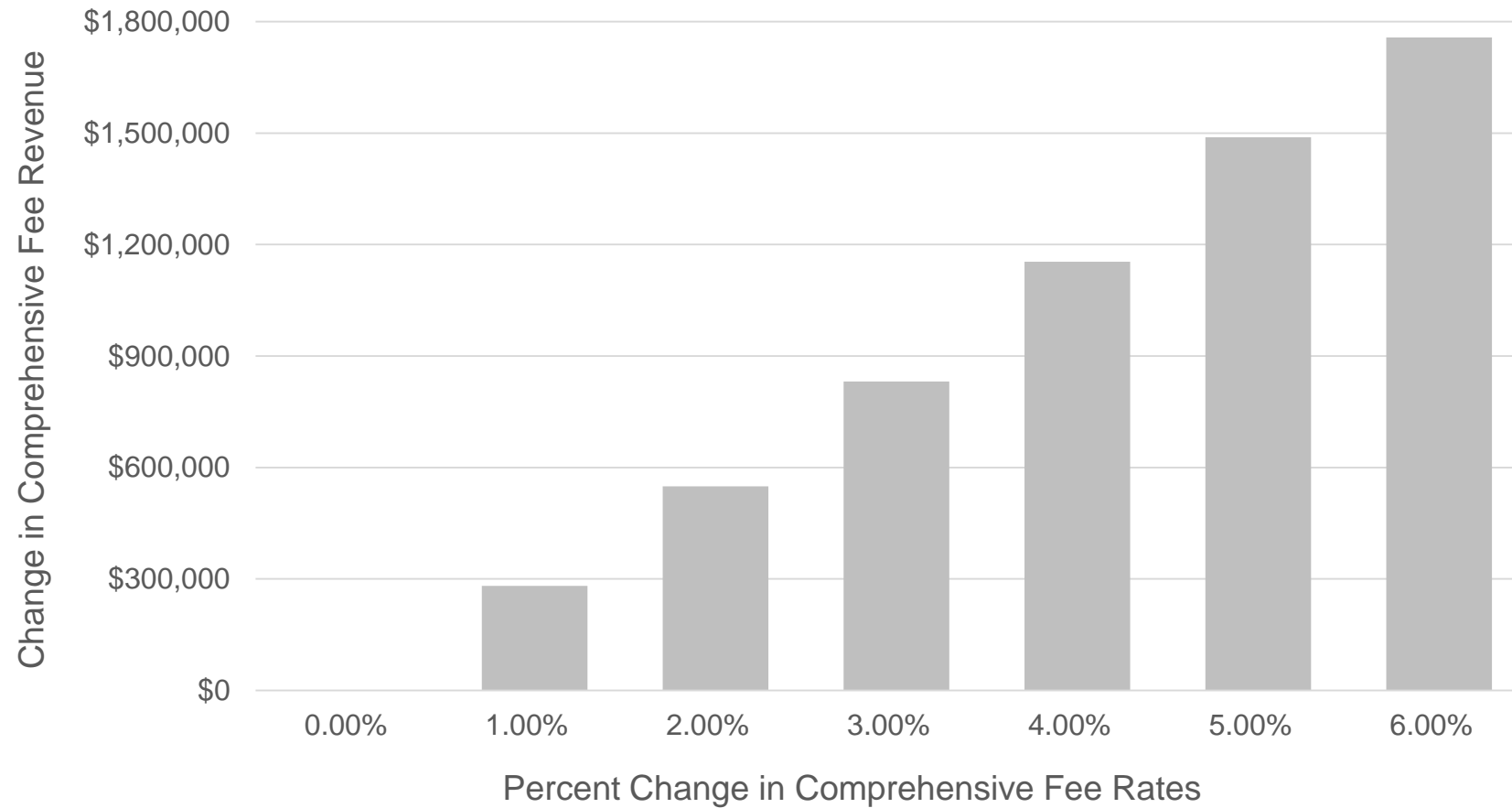




# Main Campus Impact of Tuition and Fee Changes



# Main Campus Impact of Comprehensive Fee Changes



# Public Comment

**RADFORD**  
UNIVERSITY

End of Board of Visitors Materials

