



Board of Visitors

**BUDGET PRESENTATION AND PUBLIC COMMENT SESSION
MARY ANN JENNINGS HOVIS MEMORIAL BOARD ROOM
APRIL 14, 2023
1-2:30 P.M.**

**DRAFT
MINUTES**

BOARD MEMBERS PRESENT

Dr. Debra K. McMahon, Rector
Mr. Robert A. Archer
Mr. Mark Lawrence
Ms. Lisa Pompa

OTHERS PRESENT

Dr. Bret Danilowicz, President
Ms. Karen Castele, Secretary to the Board of Visitors and Special Assistant to the President
Dr. Rob Hoover, Vice President for Finance and Administration and Chief Financial Officer

WELCOME

Rector Debra K. McMahon stated that she appreciates the opportunity to facilitate this important process for the University. Rector McMahon continued by stating affordability is at the top of the Board's priorities and noted where the University ranks within the Commonwealth regarding total costs.

COMMENTS

President Bret Danilowicz thanked Vice President Rob Hoover, Associate Vice President Stephanie Jennelle and their financial team for the hard work in maintaining a fiscally responsible organization on behalf of our students and families.

BUDGET PRESENTATION

Rector McMahon stated that in the near future the Board of Visitors will be making important decisions on the tuition and fees for the 2023-2024 academic year. Today we will have a presentation by Vice President for Finance and Administration and Chief Financial Officer Rob Hoover 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 McMahon continued by stating that the second part of the meeting will be a Public Comment Session. She added that the University provided notice on March 29, 2023 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.

Vice President Hoover provided context of Radford University's budgeting and funding structure, followed by providing current fiscal year information for Radford University related to revenue and expenditure projections, and tuition and fee rates.

Vice President Hoover provided a summary of current tuition and fee rates for 2022-23, and identified the legislative requirements of Radford University when considering tuition and fee rate changes.

Vice President Hoover provided clarity on the factors impacting the fiscal considerations for Radford University, including the current economic outlook, legislative actions by the General Assembly, programmatic priorities, mandatory cost increases and enrollment projections.

Vice President Hoover concluded his presentation with an overview of the impact of zero to four percent tuition and fee changes.

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

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

Karen Castele informed Rector McMahan that no one had signed up to speak at the Public Comment Session. The Rector stated that Board members would remain until 2:30 p.m. in the event someone arrived to speak.

CLOSING

Rector McMahan thanked everyone for their participation in the meeting. A special thank you was extended to Vice President Hoover for the Budget Presentation. Rector McMahan 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 2:30 p.m.

Respectfully submitted,

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

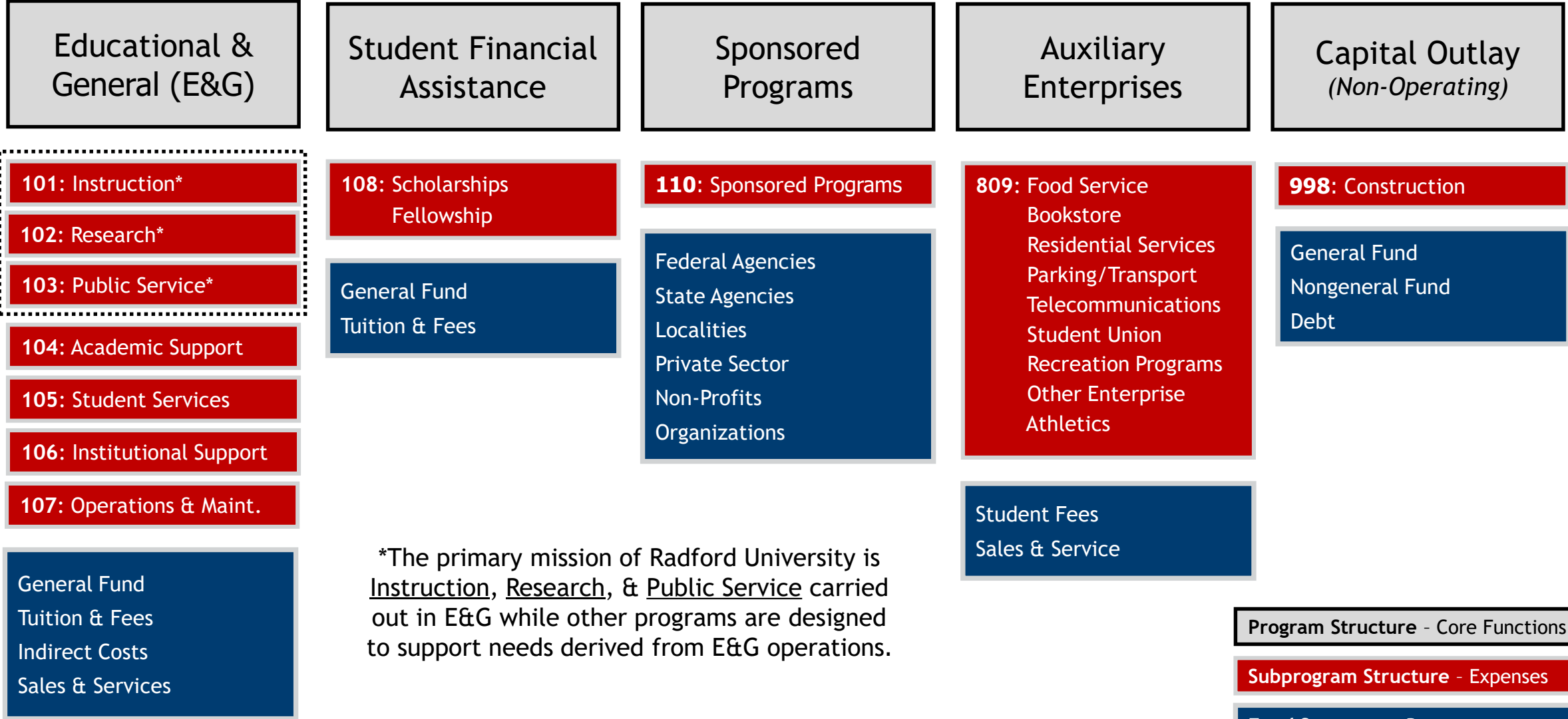


**Budget Presentation and
Public Comment Session
2023-24**

Financial Overview

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RADFORD UNIVERSITY - Agency 217



*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.

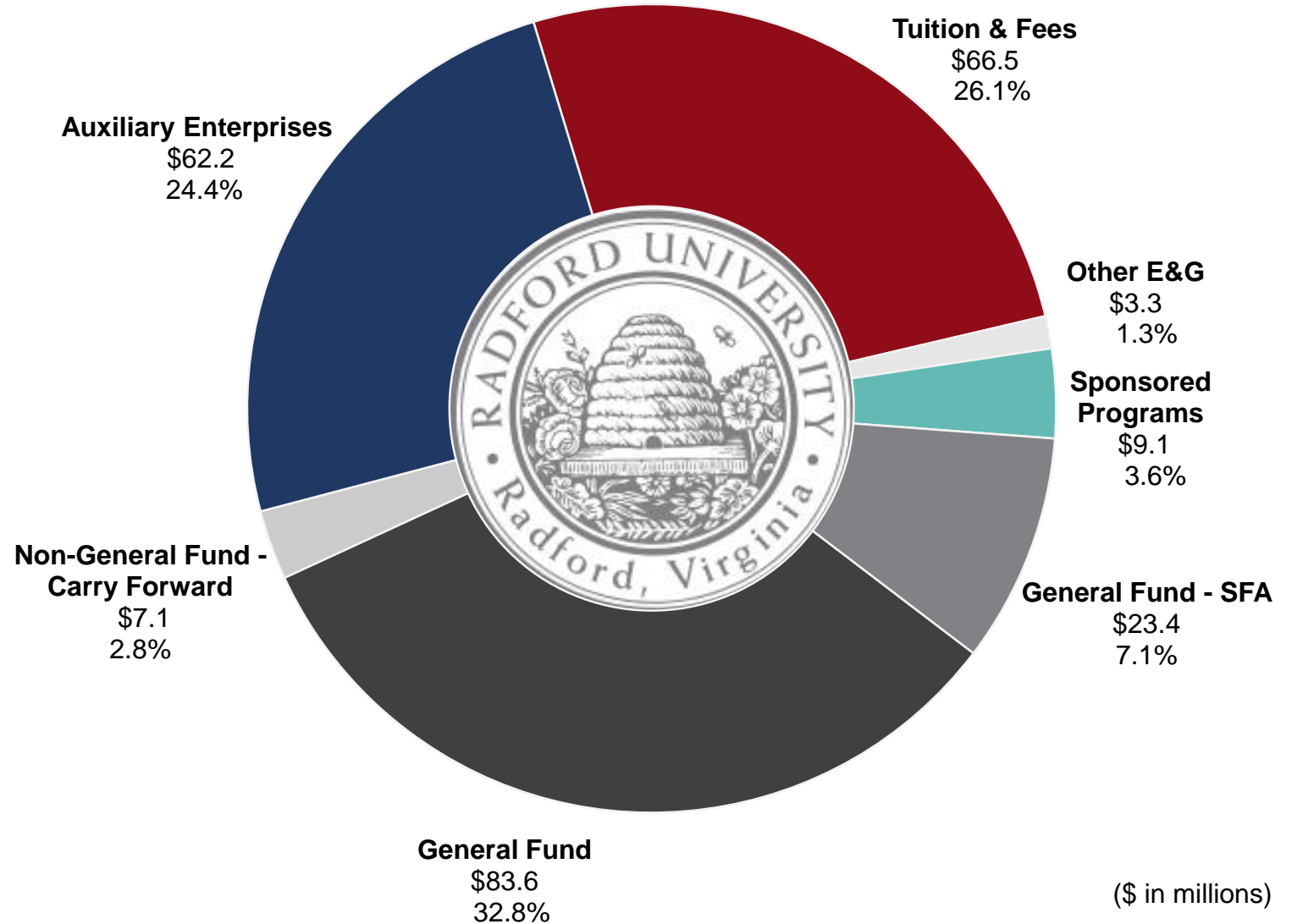
Program Structure - Core Functions

Subprogram Structure - Expenses

Fund Structure - Revenues

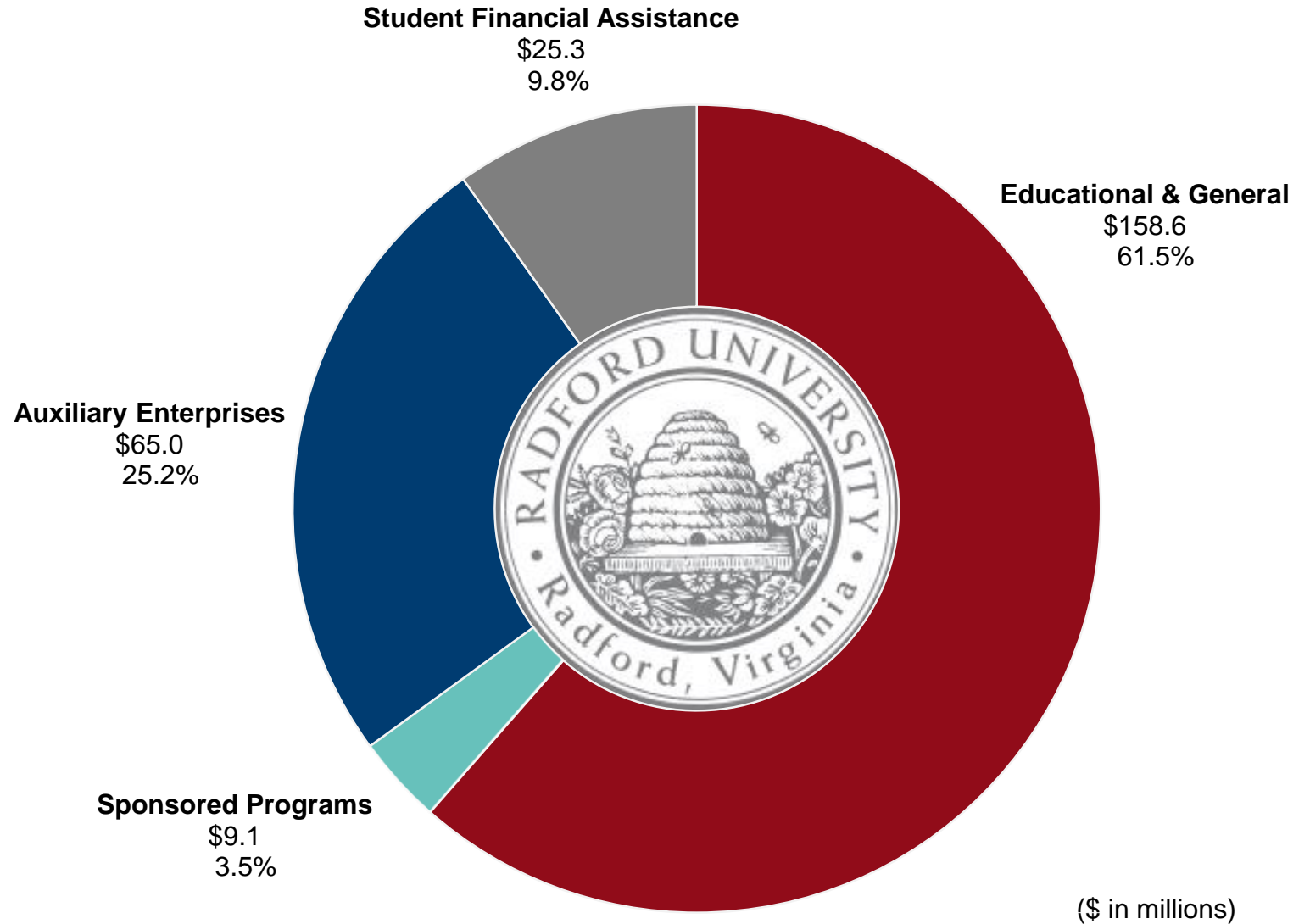
University Operating Revenue

Using 2022-23 projected revenues, Radford University's total annual operating revenue budget is \$255.2 million.



University Operating Expenditures

Using 2022-23 projected expenditures, Radford University's total annual operating expenditure budget is \$258.0 million.

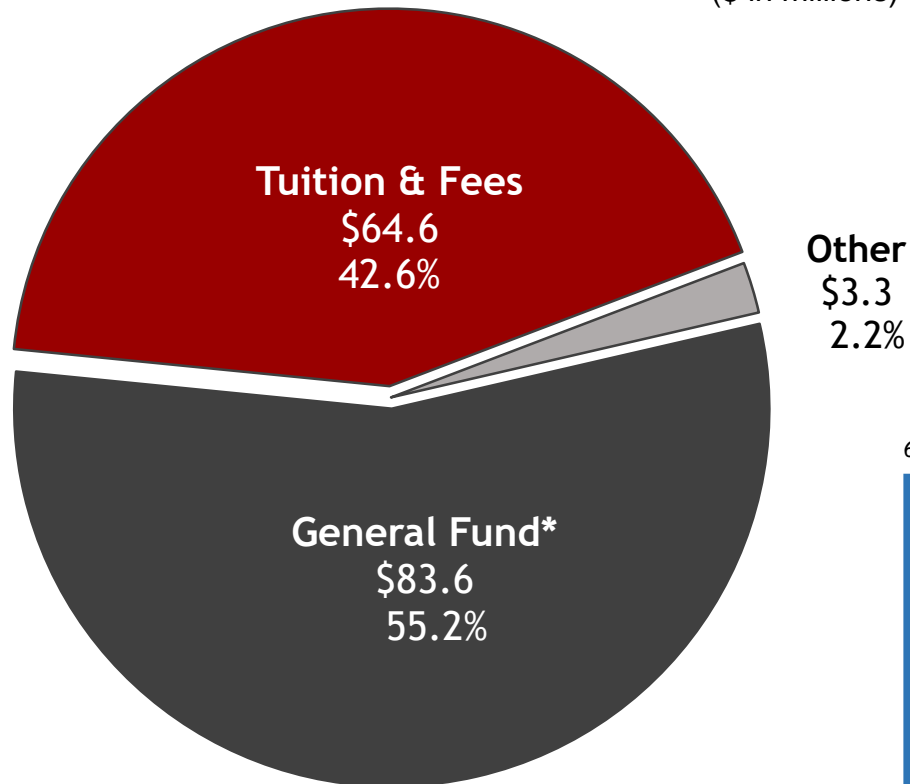


A group of graduates in black gowns and caps, some holding diplomas, are visible in the background. The text 'Educational & General (E&G) Program' is overlaid in white, bold font.

Educational & General (E&G) Program

E&G Revenue by Fund Source

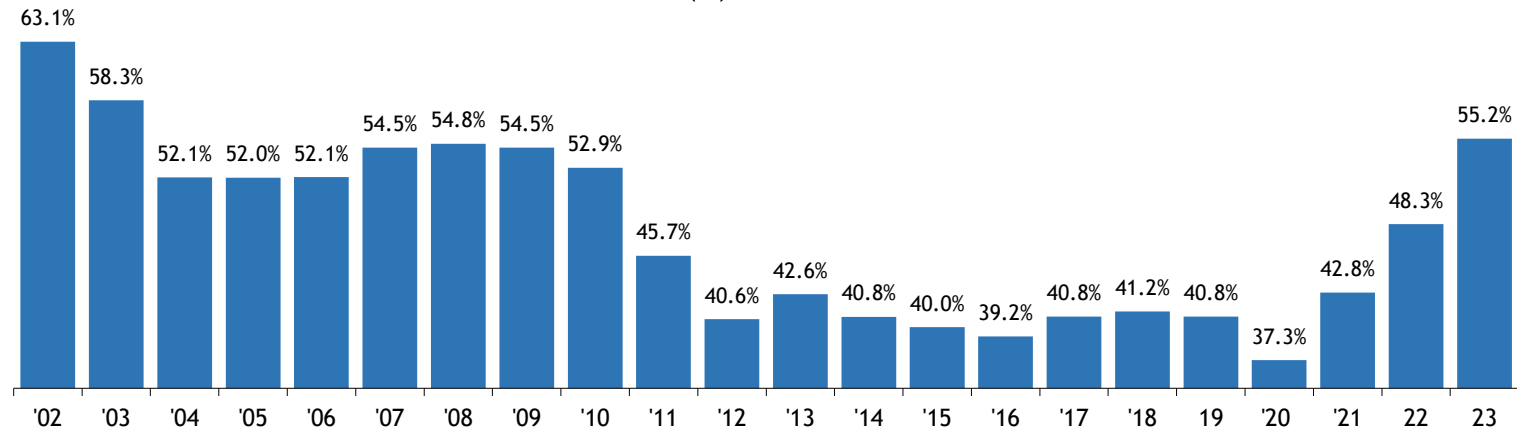
(\$ in millions)



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.

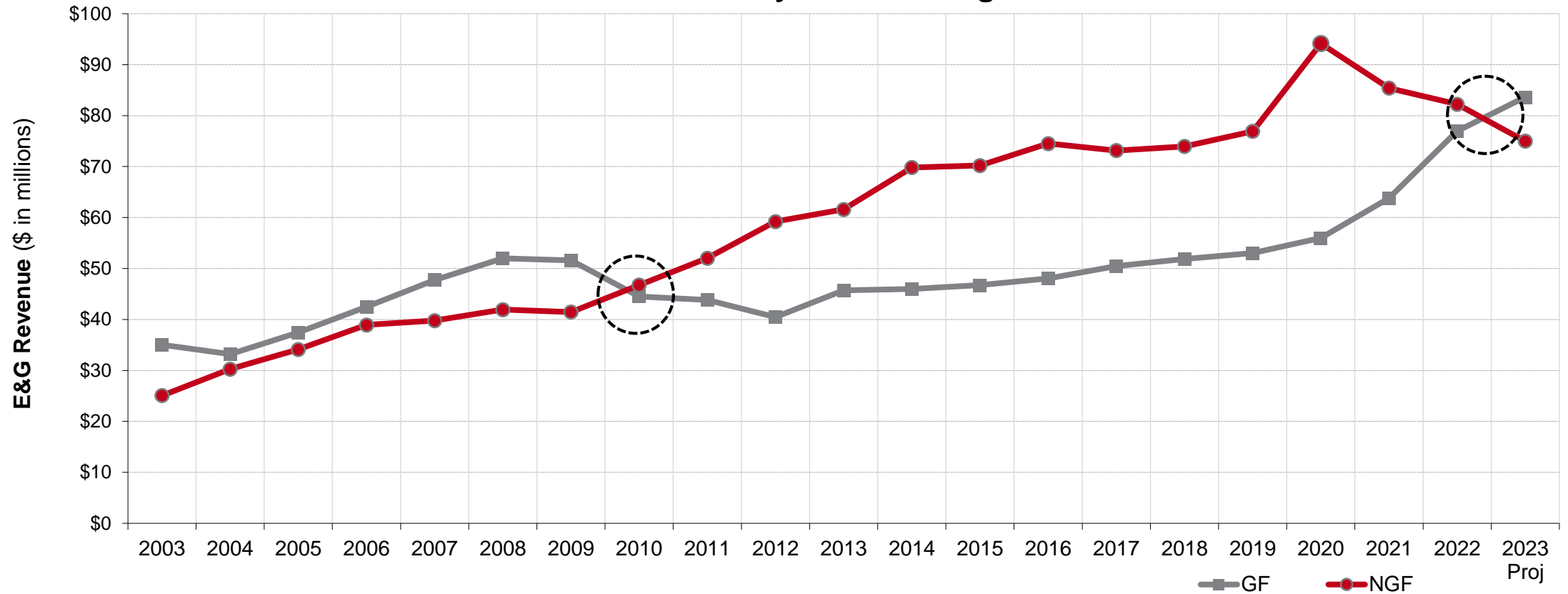
GF Percent (%) of E&G Revenue



*Excludes Carry Forward

Shift in Higher Education Funding

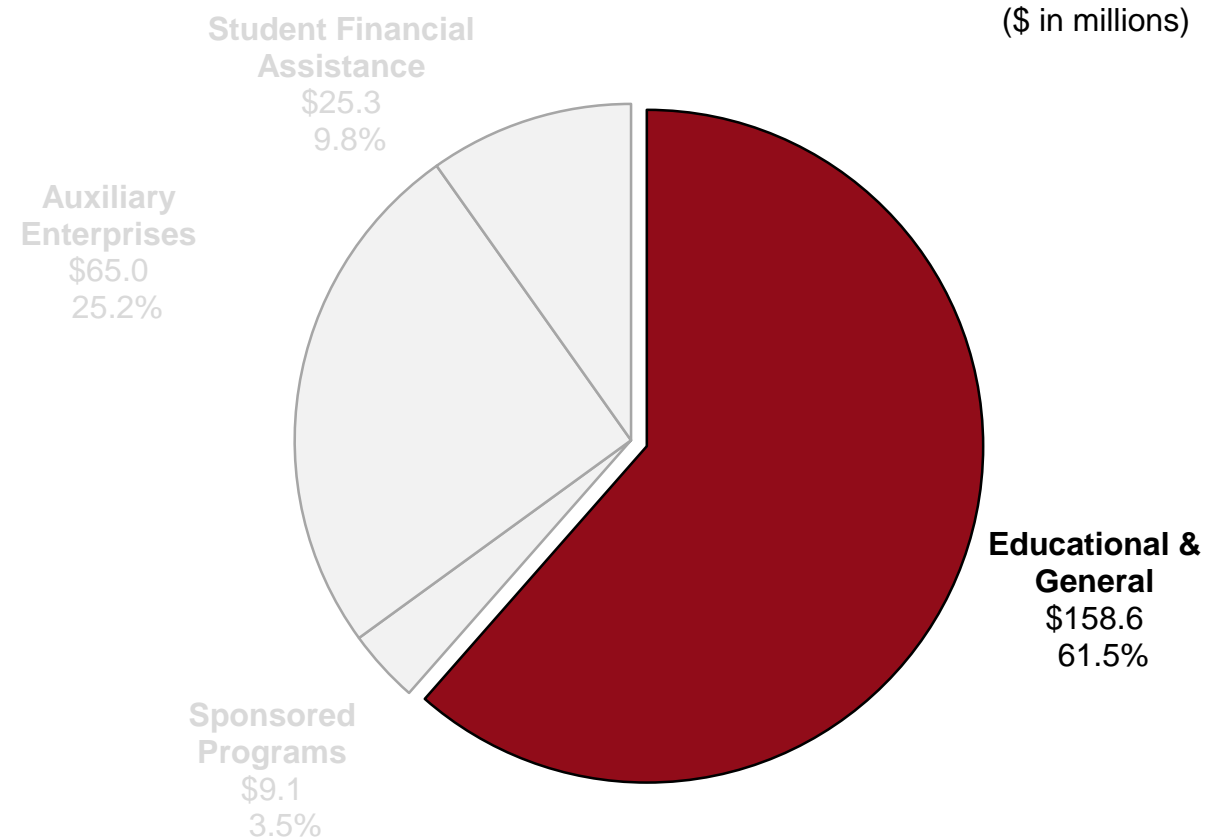
Radford University E&G Funding Trend



E&G Expenditures

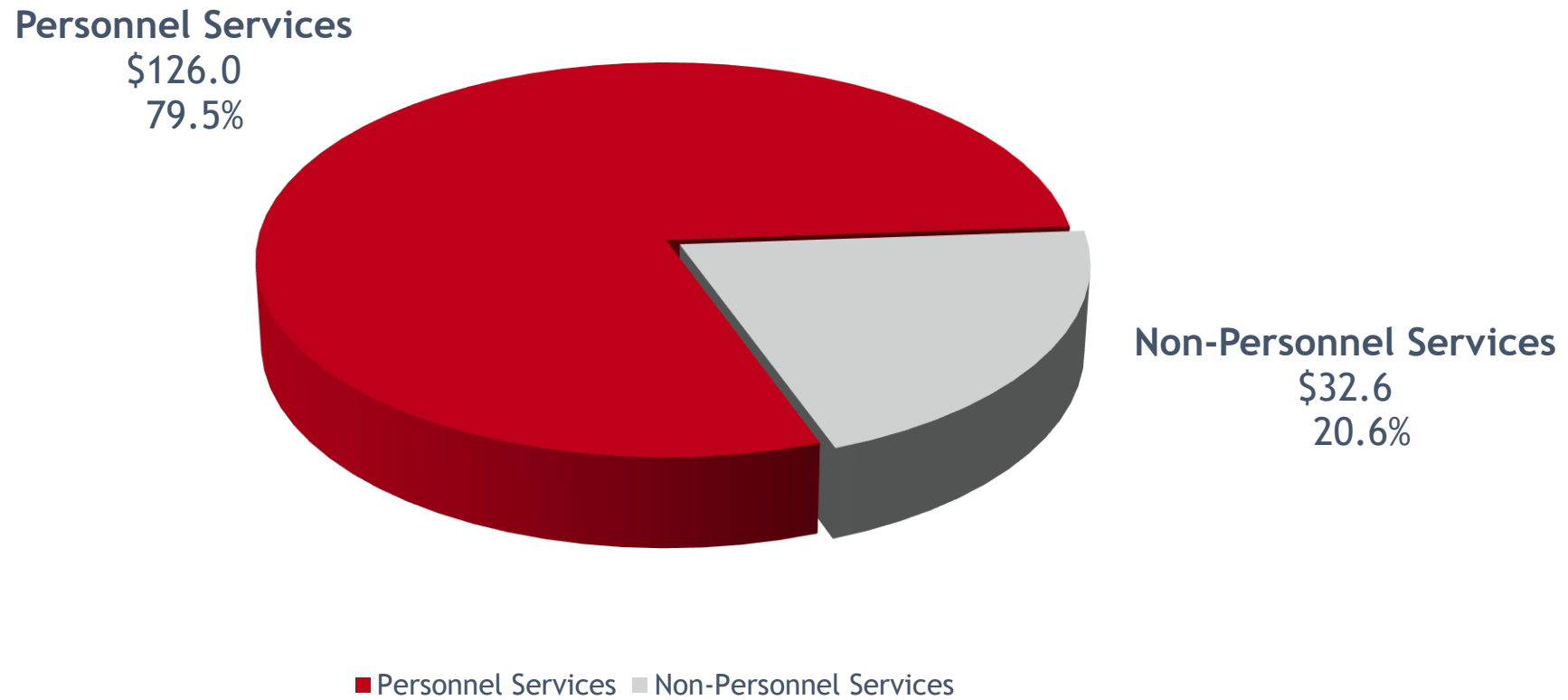
Projected E&G expenditures of **\$158.6 million** for 2022-23.

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



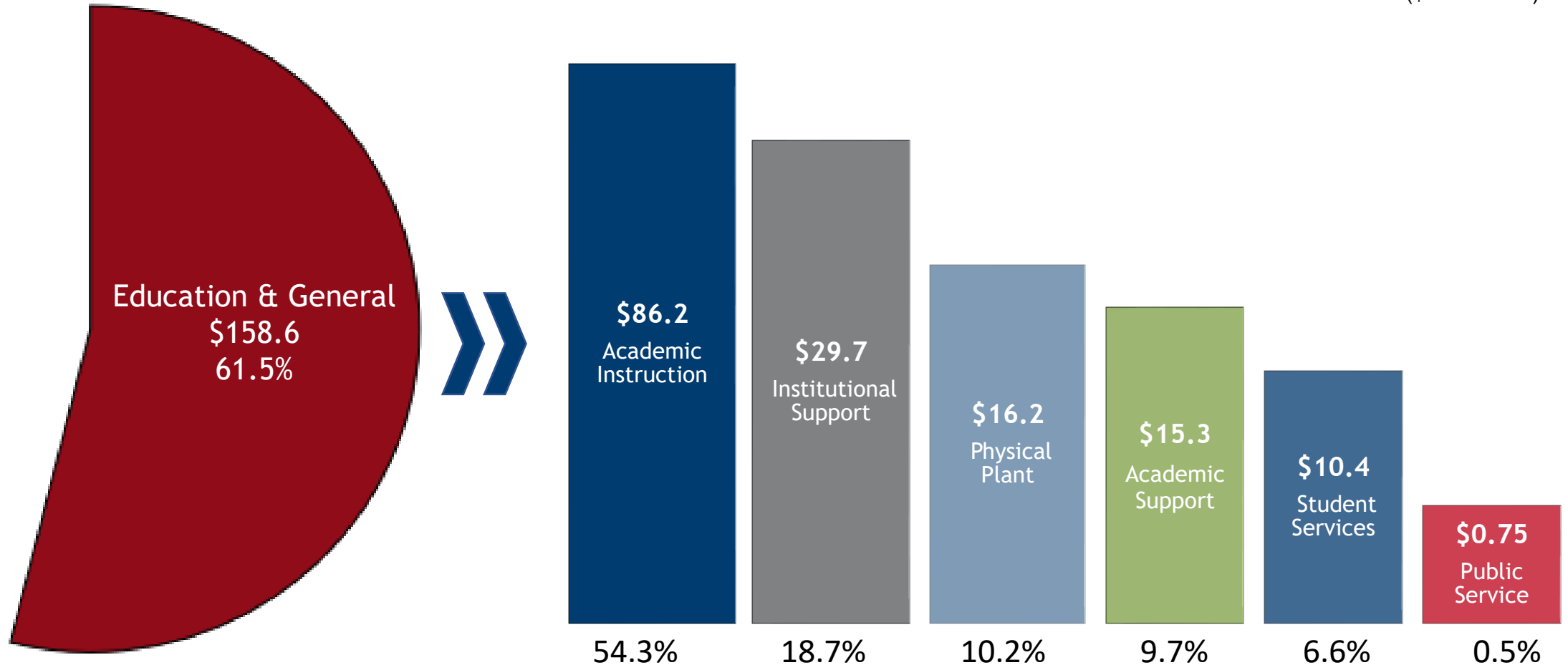
E&G Expenditures by Category

(\$ in millions)



E&G Expenditures by Subprogram

(\$ in millions)



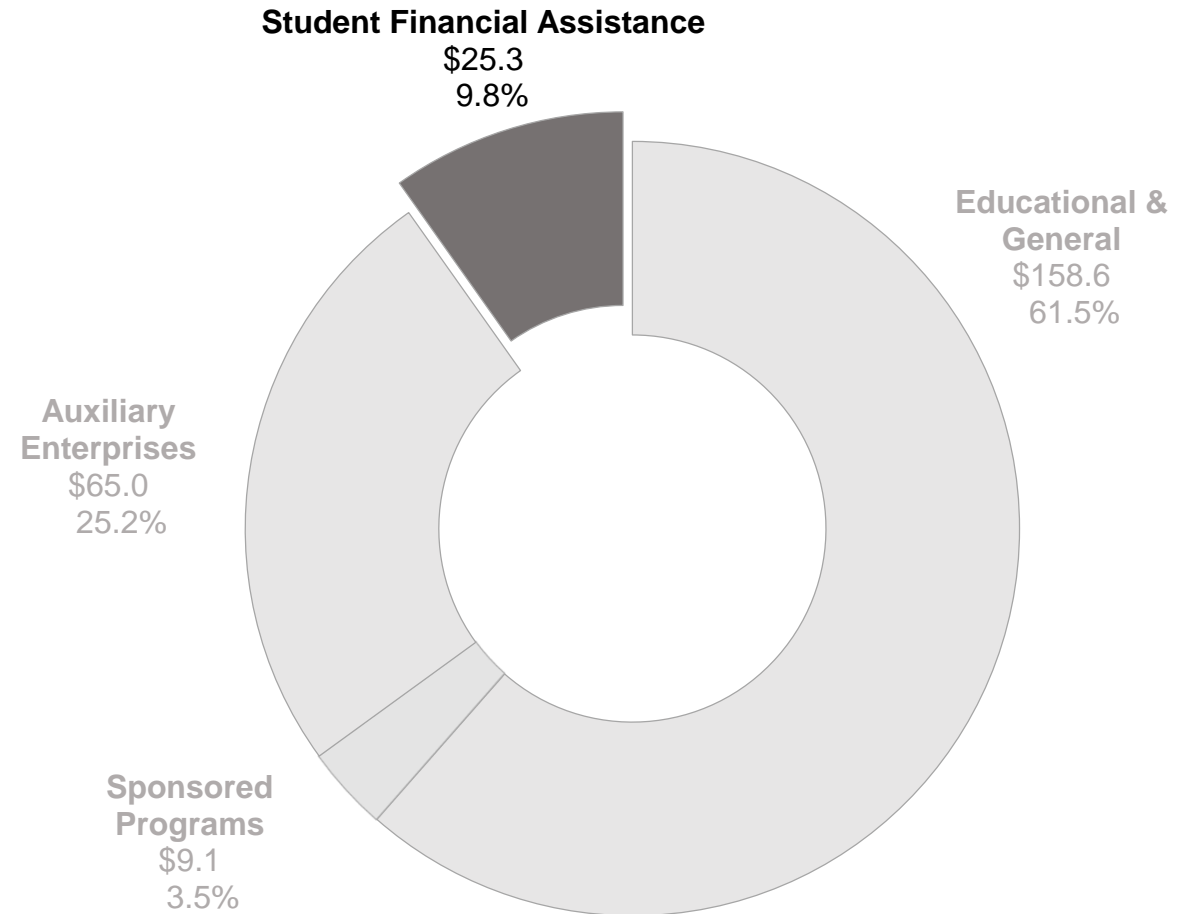
A group of eight people, including a mascot, are standing in front of a brick building with large windows. They are all wearing red jackets. The mascot is a large, bearded figure in a plaid kilt and a hat. The group is holding various signs and props. One sign says "#ReadyForRadParade2022" with an arrow pointing right. Another sign says "Welcome to Highlander". A third sign is a large red number "1" with "RADFORD UNIVERSITY" written below it. The people are smiling and appear to be in a festive mood.

Student Financial Assistance (SFA)

Student Financial Assistance

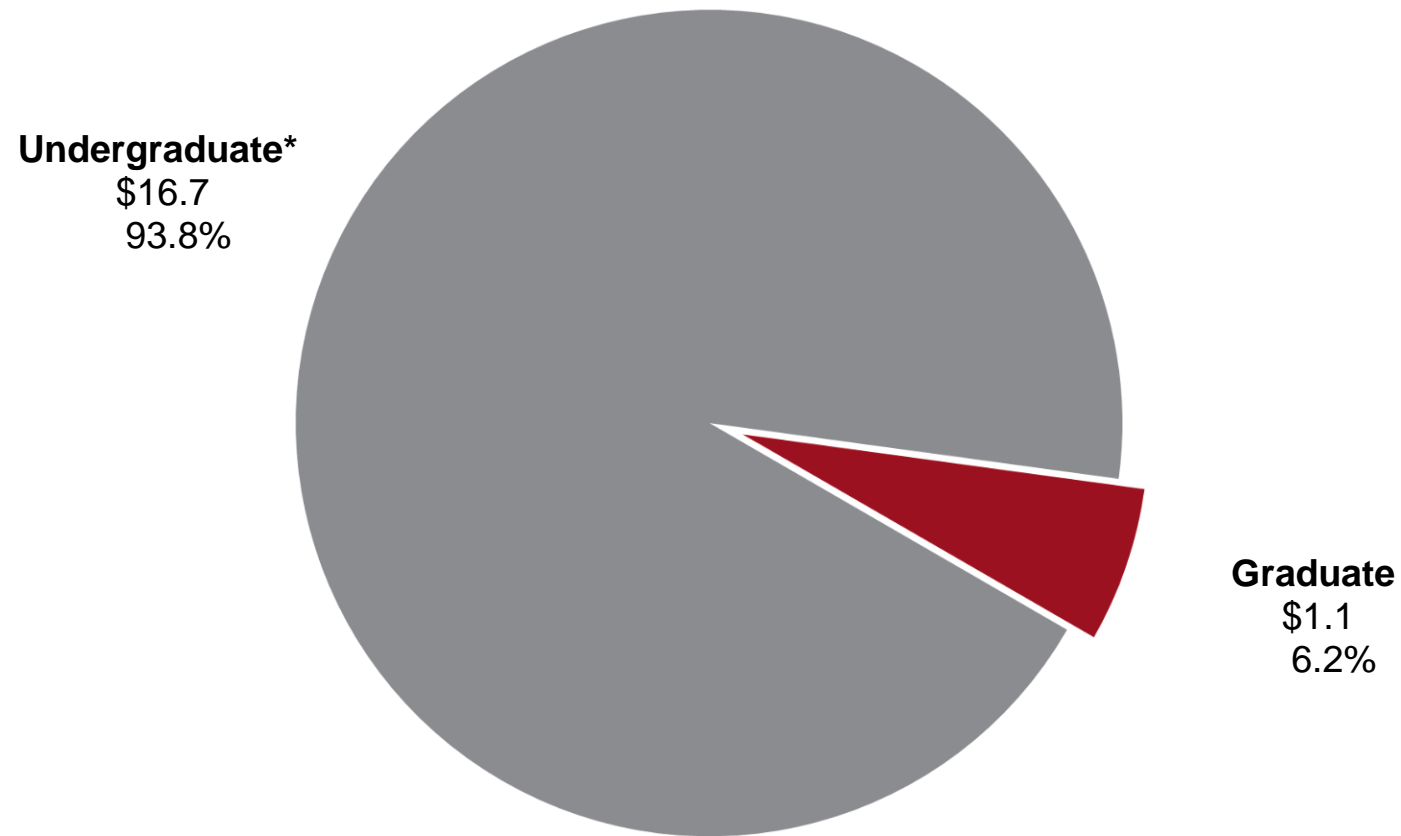
Projected Student Financial Assistance expenditures of **\$25.3 million** for 2022-23.

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



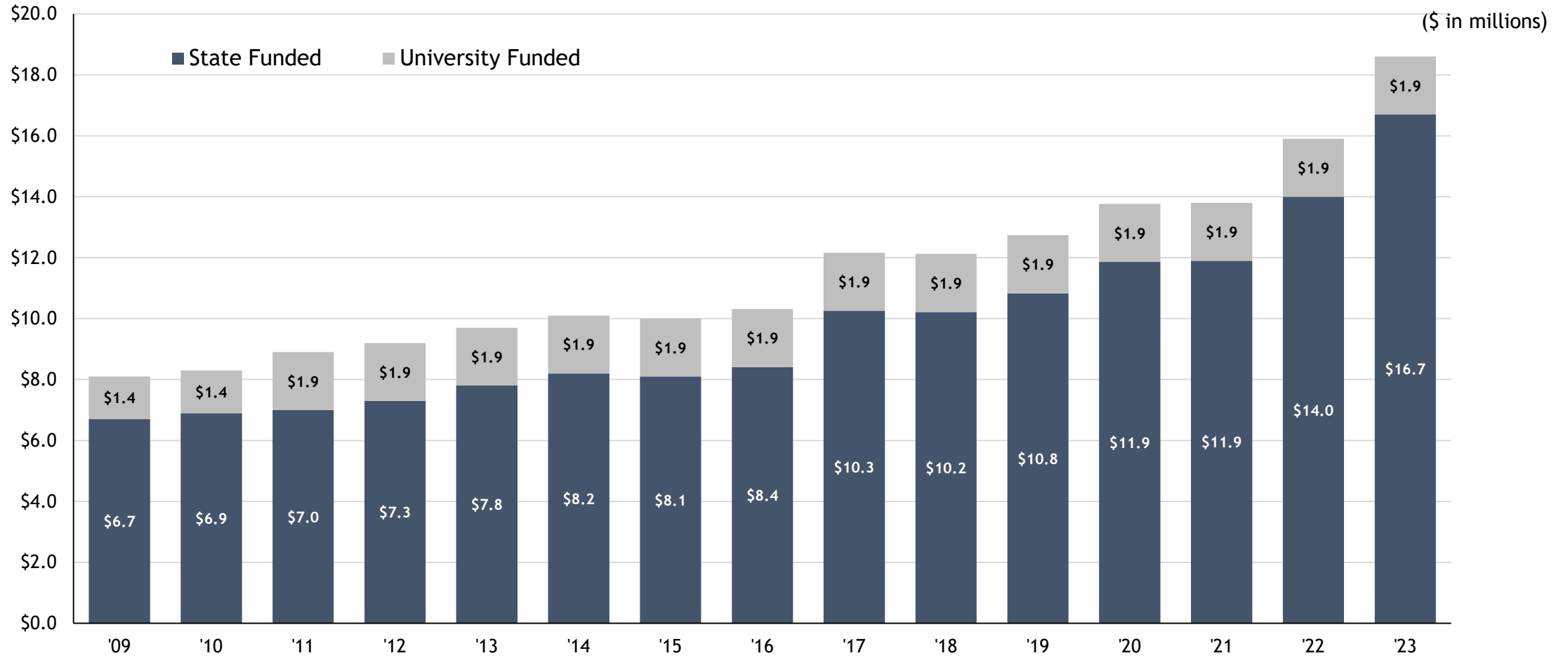
2022-23 Student Financial Aid by Level

(\$ in millions)



* Excludes Relief Funding

Need Based Financial Assistance Fund



* Excludes Relief Funding

Sponsored Programs and Grant Management

(Financial Assistance for E&G Programs)

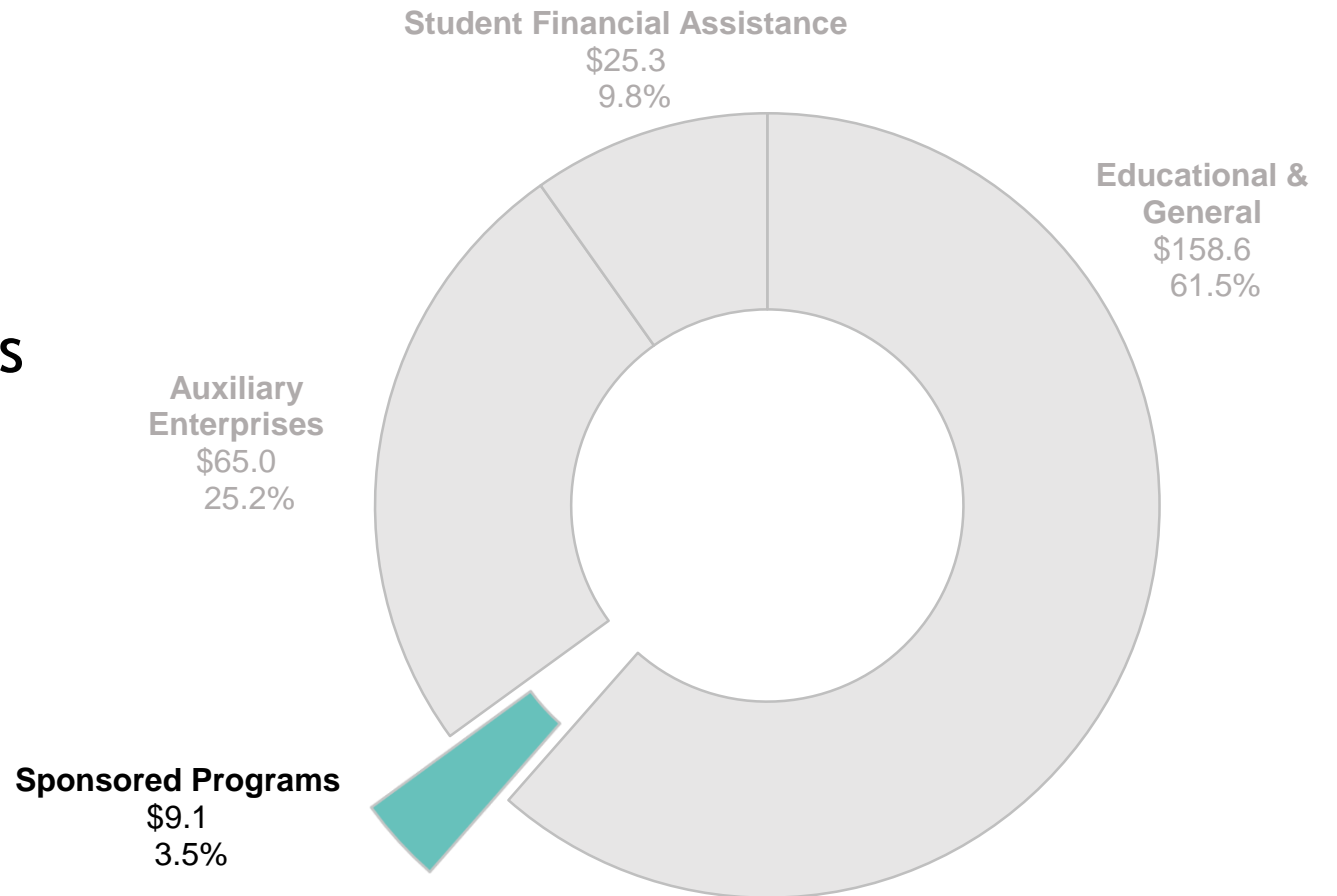


Sponsored Activities

(\$ in millions)

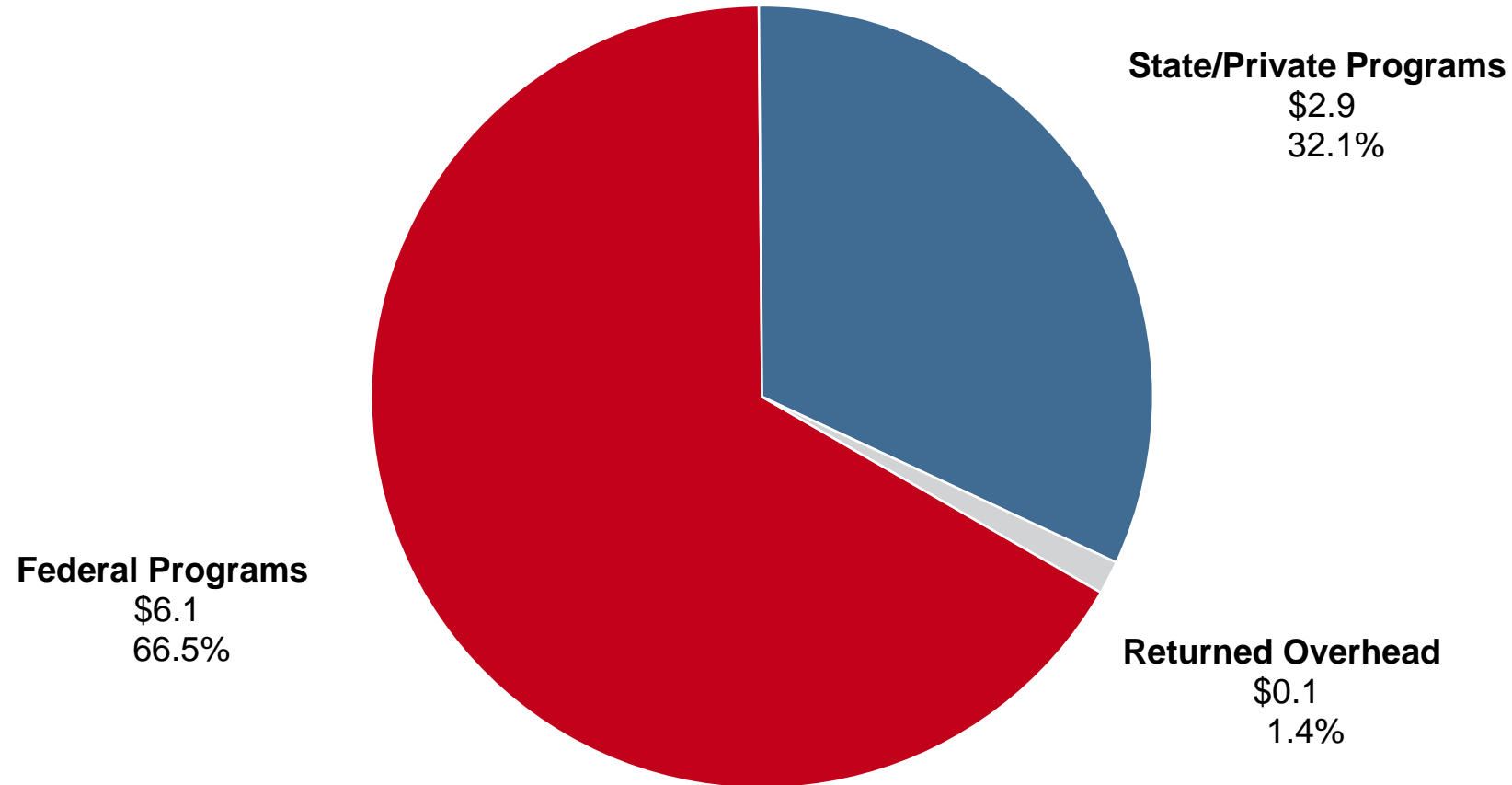
Projected Sponsored Activities expenditures of **\$9.1 million** for 2022-23.

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



Sponsored Programs by Fund Source

(\$ in millions)



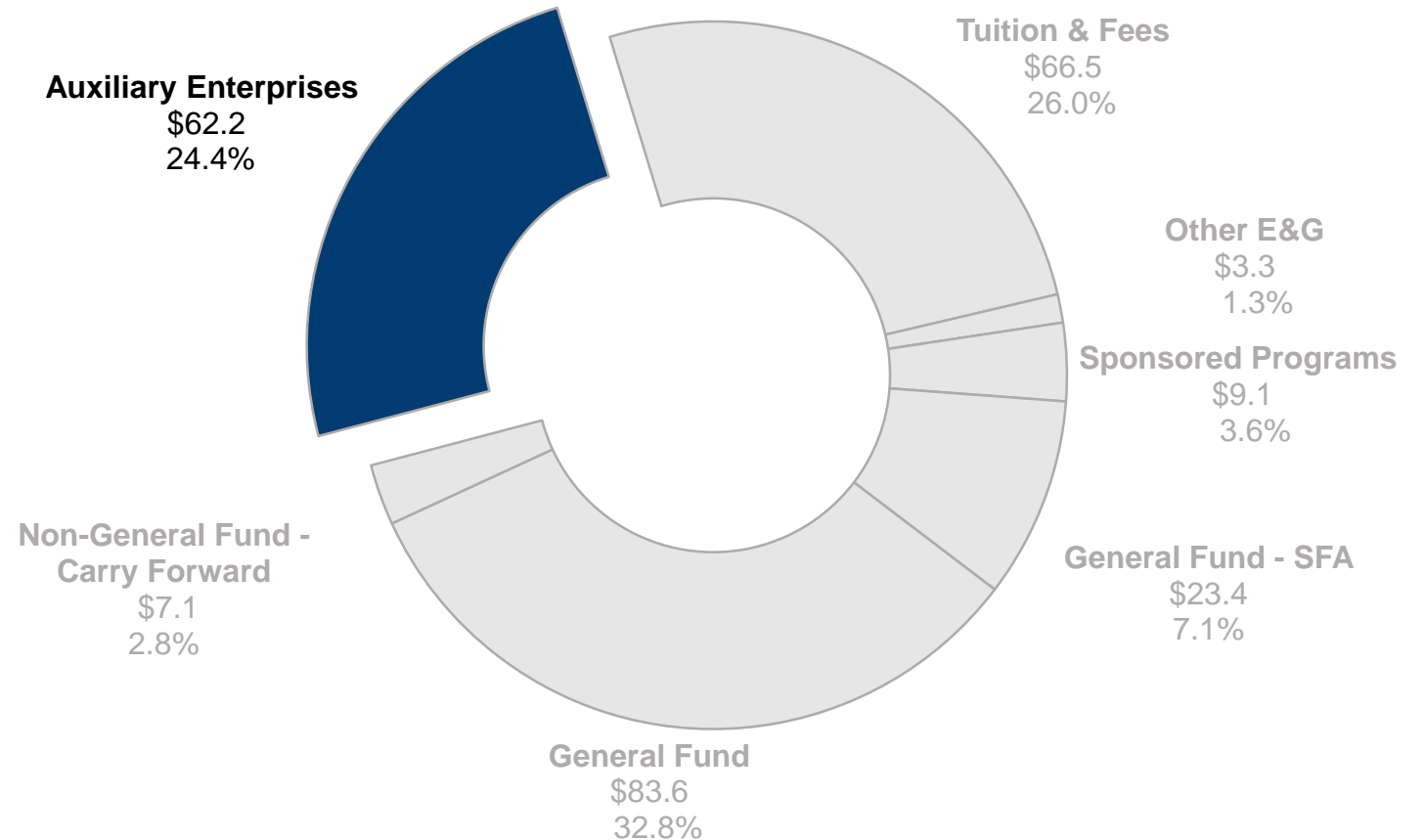


Auxiliary Enterprise Program

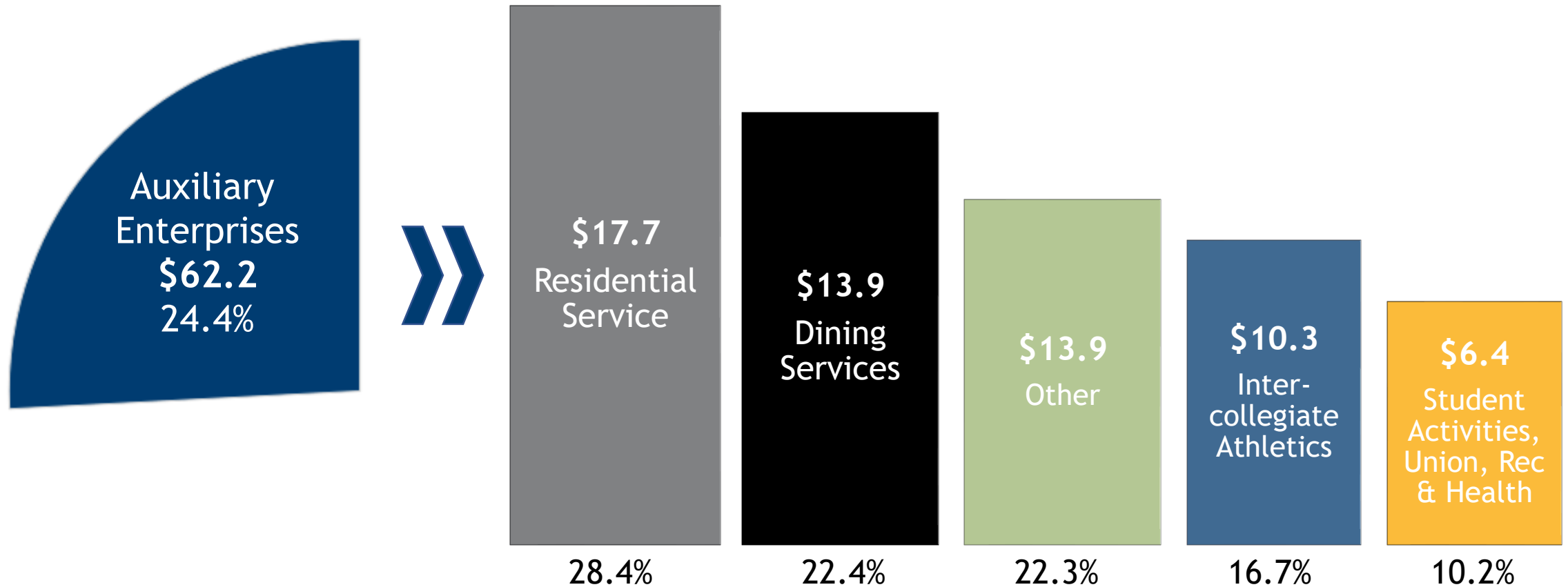
Auxiliary Enterprise Revenue

(\$ in millions)

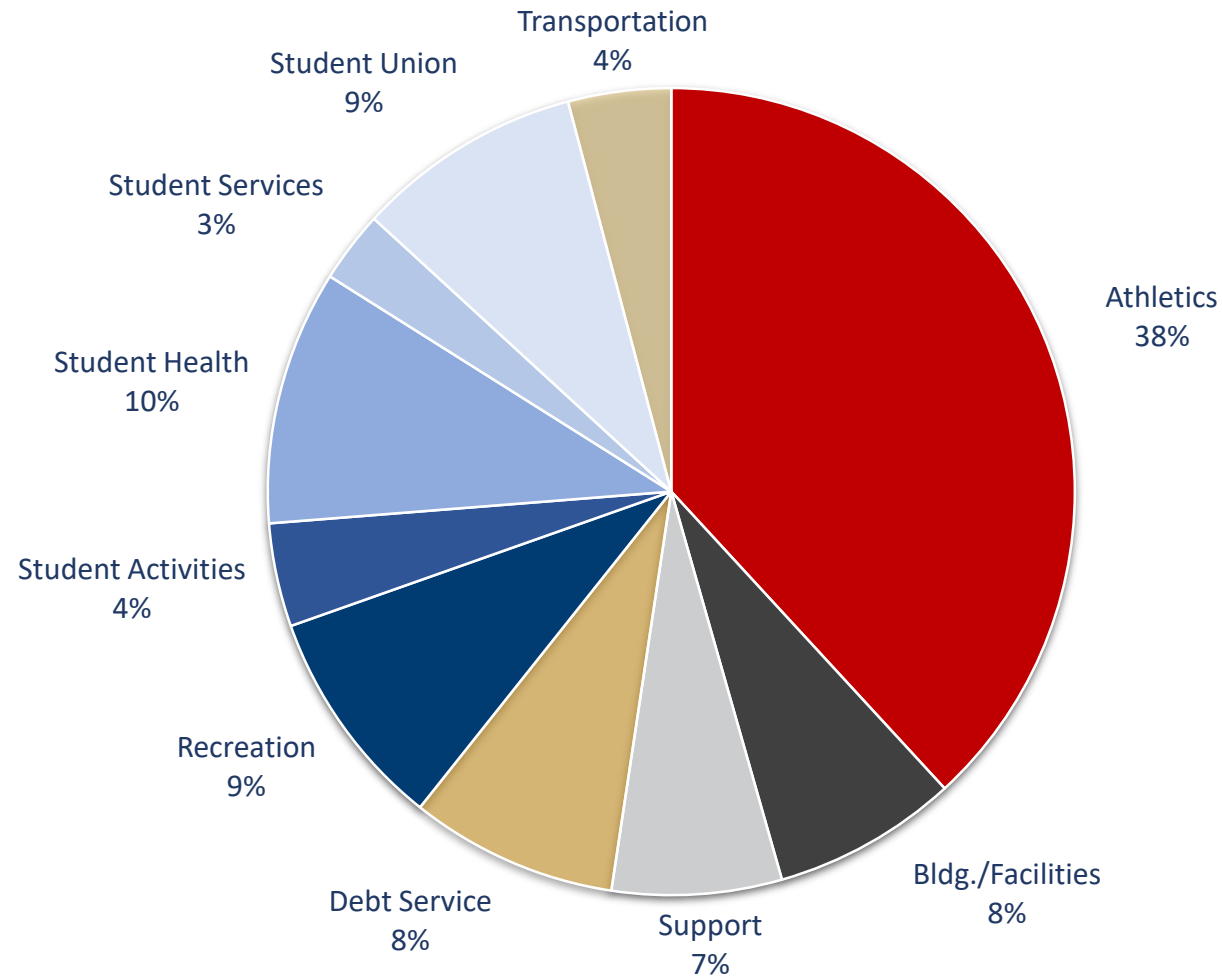
Using 2022-23 projected revenues, Radford University's proposed total annual auxiliary revenue budget is **\$62.2 million**.



Auxiliary Enterprise Revenue by Fund Source



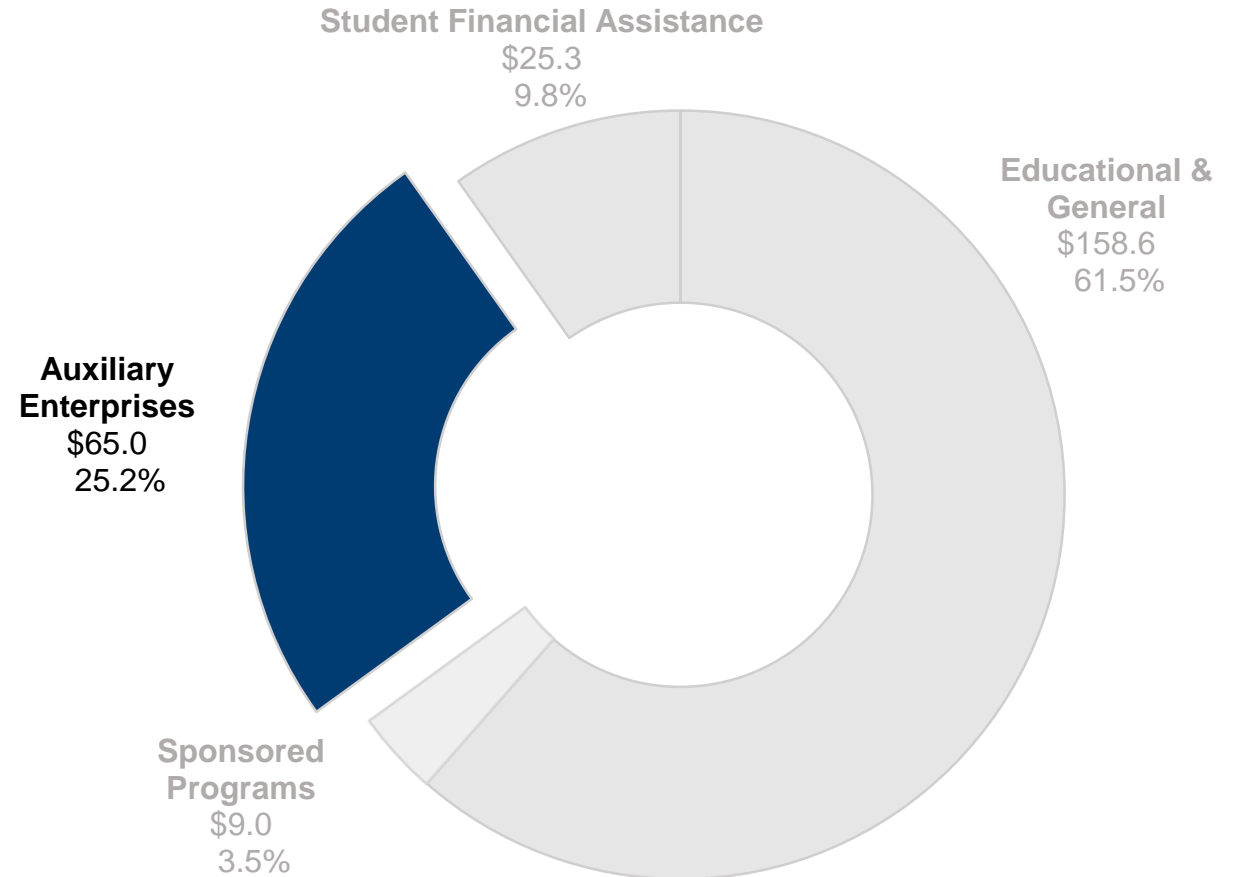
Auxiliary Revenue - Comprehensive Fee



Auxiliary Enterprise Expenditures

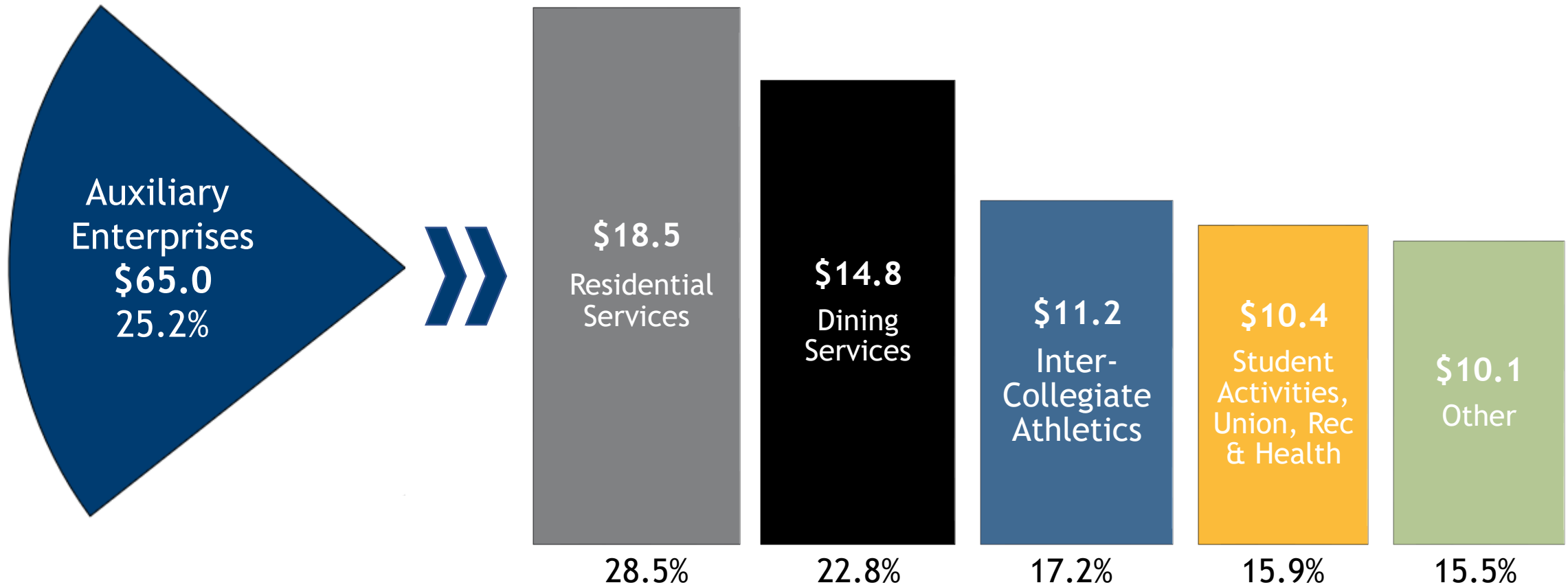
Projected Auxiliary expenditures of **\$65.0** for 2022-23.

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



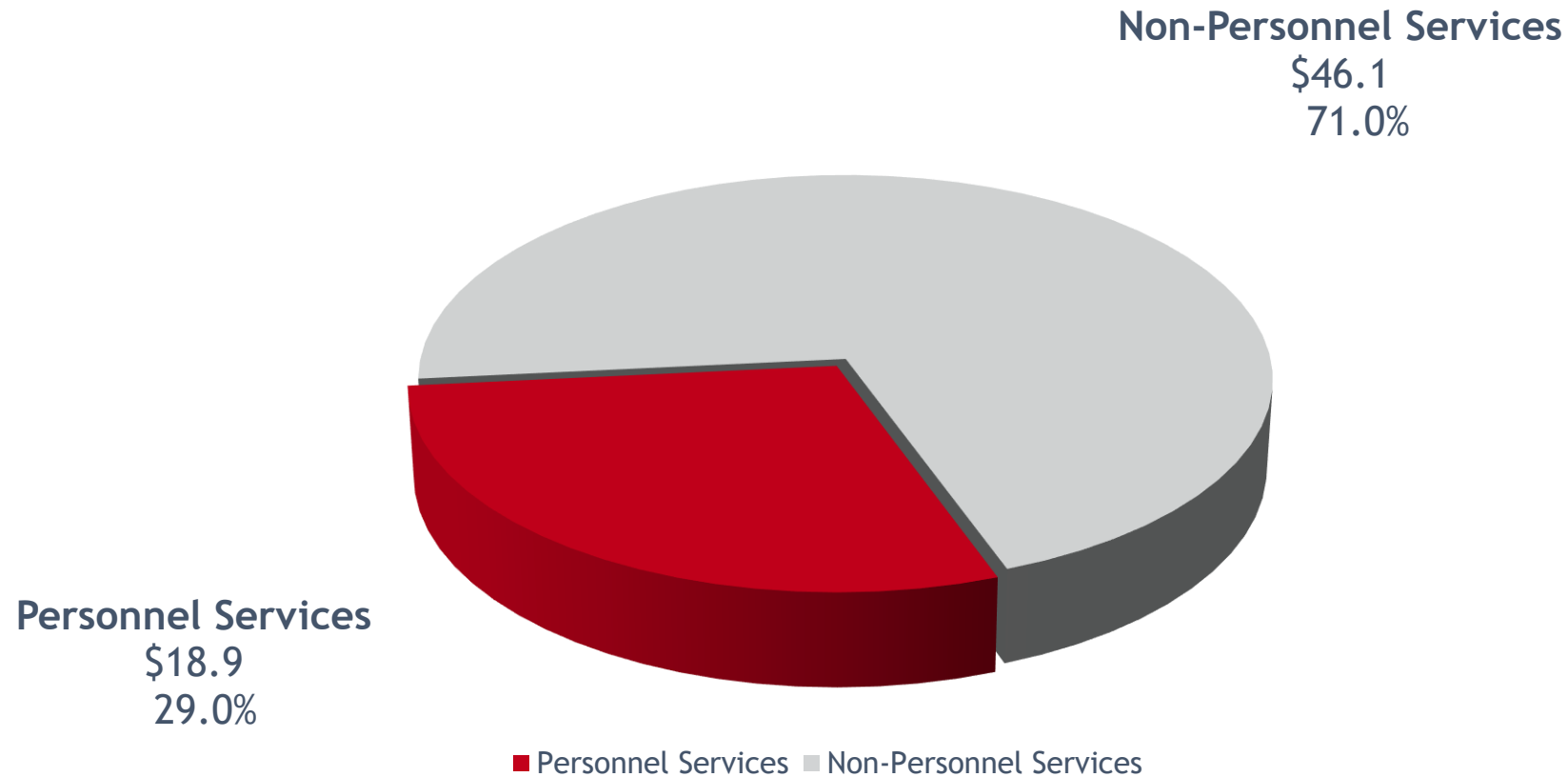
Auxiliary Enterprise Expenditures by Program

(\$ in millions)



Auxiliary Enterprise Expenditures by Category

(\$ in millions)



2022-23 Budget Summary

Radford University
Financial Performance Summary
For the Period Ending January 31, 2023

	Budget		
	Revenue	Expense	Surplus/(Deficit)
University Operating			
Education & General	\$158,619	(\$158,619)	(\$0)
Student Financial Assistance	25,312	(25,312)	0
Sponsored Programs	9,080	(9,080)	0
Auxiliary Enterprise	62,224	(64,996)	(2,772)
Total University	\$255,236	(\$258,008)	(\$2,772)

\$ in Thousands

Fiscal Considerations

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Fiscal Considerations Impacting 2023-24 Tuition and Fee Rates

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



I - Economic Outlook

- Virginia economy continues to rebound from the pandemic and conditions are favorable.
- Commonwealth's annual avg. employment growth - 2.6% (City of Radford named as a location of fastest growth)
- Strong state revenue forecast
- Inflationary impacts on goods and services as well as supply chain disruption

II - Legislative Actions

Item	Executive Budget Proposal	House Amendments	Senate Amendments
Base Operation and Student Financial Aid - Institution Specific			
Affordable Access	-	\$3.9M and Tuition 1% increase limitation	\$3.8M
Undergraduate financial aid	Maintain increase of \$8.3M	No Change	Additional Affordable Access of \$5.5 M
Graduate student financial assistance	-	-	-
Other Operating Budget - All Institutions			
Salary Increases	5% salary increase for full-time, adjunct, and graduate teaching effective June 10, 2023	Additional 2% salary increase (total 7%) plus additional 1/2 % funding for institution specific pay actions	Additional 2% salary increase (total 7%)
Bonus -Full-Time Employees	\$1,500 per employee plus up to 10% of base pay effective December 1, 2023.	Redirect to permanent raises	Reduce bonus by \$500 per employee (or \$1,000)
Employer Health Insurance Premiums	No increase to premiums	No Change	No Change
Fringe Benefit Employer Contribution	No increase to premiums	Increase to Retiree Health Care Credit COLA	No Change
Other Central System Charges	Increase in Unemployment Costs Increase in Cardinal Financials Increase in Line of Duty	No Change	No Change
Other Operating Budget - Institution Specific			
Nursing Workforce	-	-	Additional \$530k
Capital Outlay- Institution Specific			
Maintenance Reserve - E&G	-	Additional \$383,654	-

III - Programmatic Priorities

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

IV - Mandatory Cost Increases

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

- Contractual operating commitments
- State central cost allocations
- 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

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

Tuition and Fees

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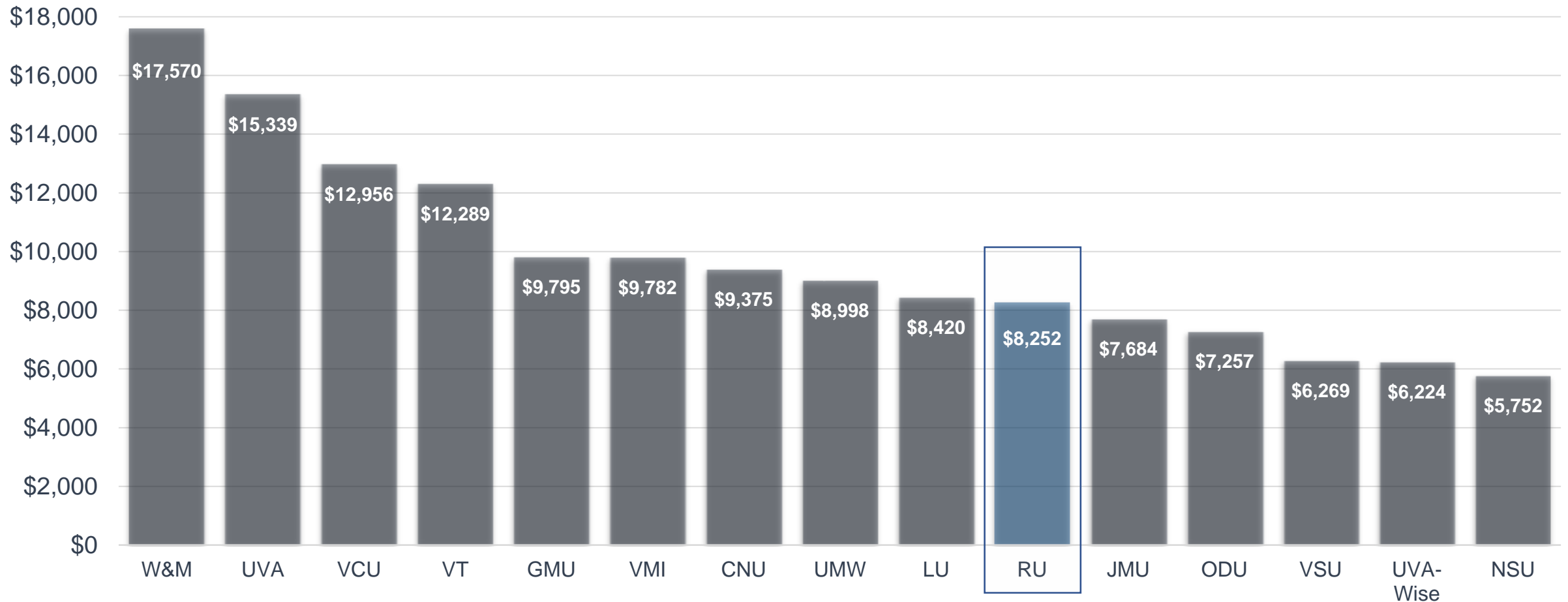
Current Tuition and Fees Rates

	2022-23 Tuition and Fee Summary			
	Undergraduate		Graduate	
	In-State	Out-of-State	In-State	Out-of-State
Tuition	\$8,156	\$20,246	\$9,182	\$17,964
Mandatory Technology Fee	96	96	96	96
Mandatory Capital Fee	N/A	447	N/A	447
Tuition & Mandatory E&G Fees	8,252	20,789	9,278	18,507
Mandatory Comprehensive Fee	3,664	3,664	3,664	3,664
Subtotal Total Tuition and Fees	11,916	24,453	12,942	22,171
Room - Standard Double	5,830	5,830	N/A	N/A
Board - Flex Meal Plan	4,526	4,526	N/A	N/A
Additional On-Campus Charges	10,356	10,356	N/A	N/A
Total ("Sticker") Price	\$22,272	\$34,539	\$12,942	\$22,171

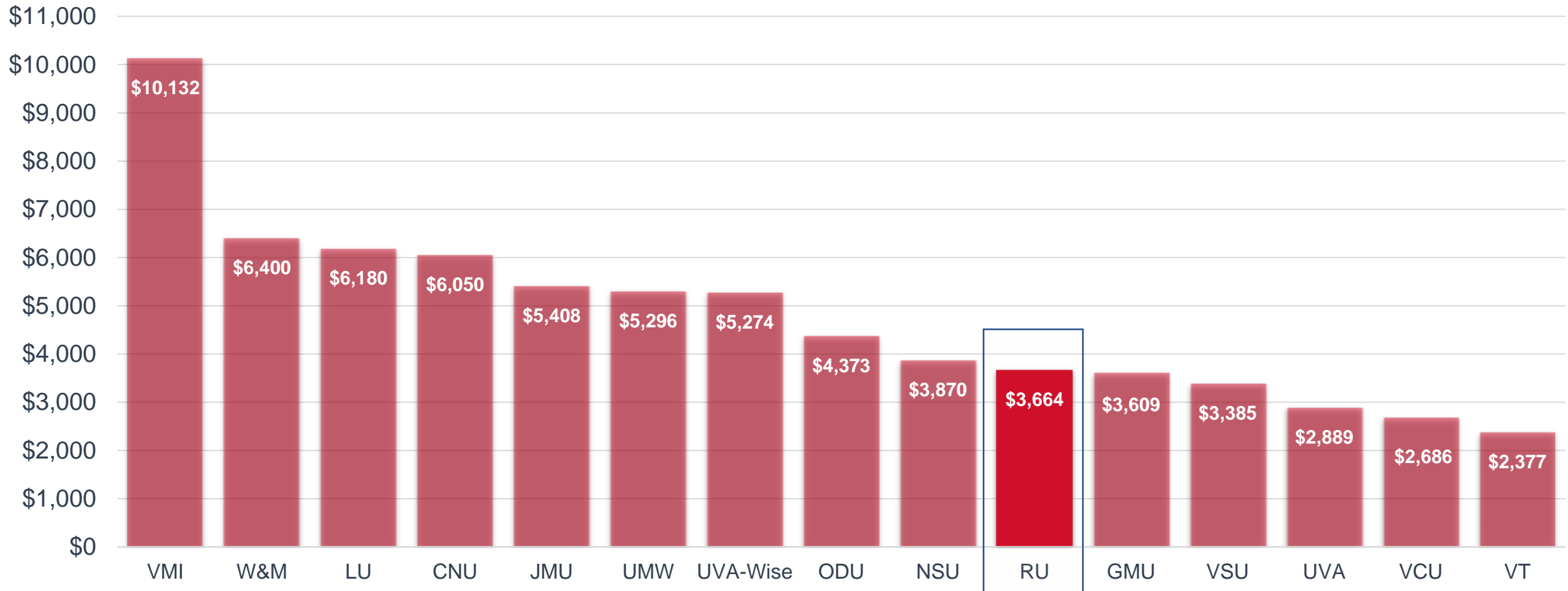
According to SCHEV, in 2021-22 the average cost to educate a student at Radford University is **\$18,169**

Therefore, for example, In-State Undergraduates Tuition and Fees only comprise **41%** of the total cost

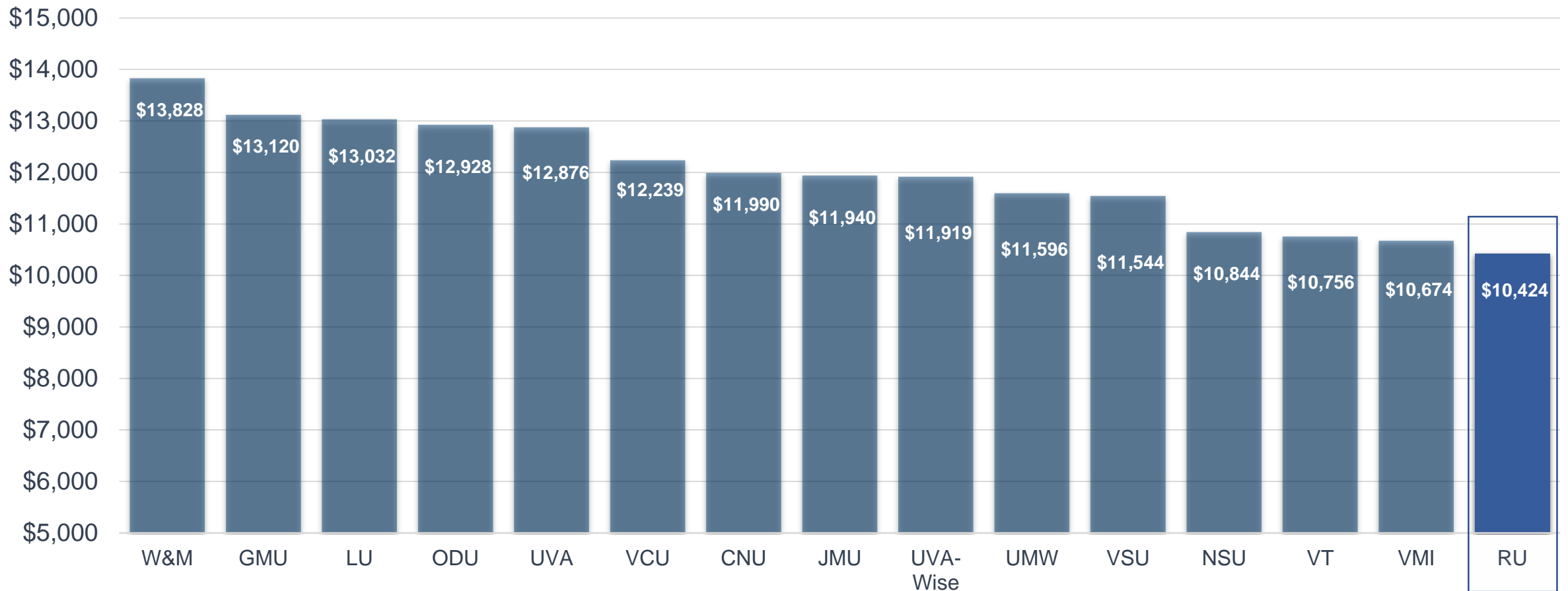
VA Public Higher Education In-State Tuition & Mandatory E&G Fee Rates



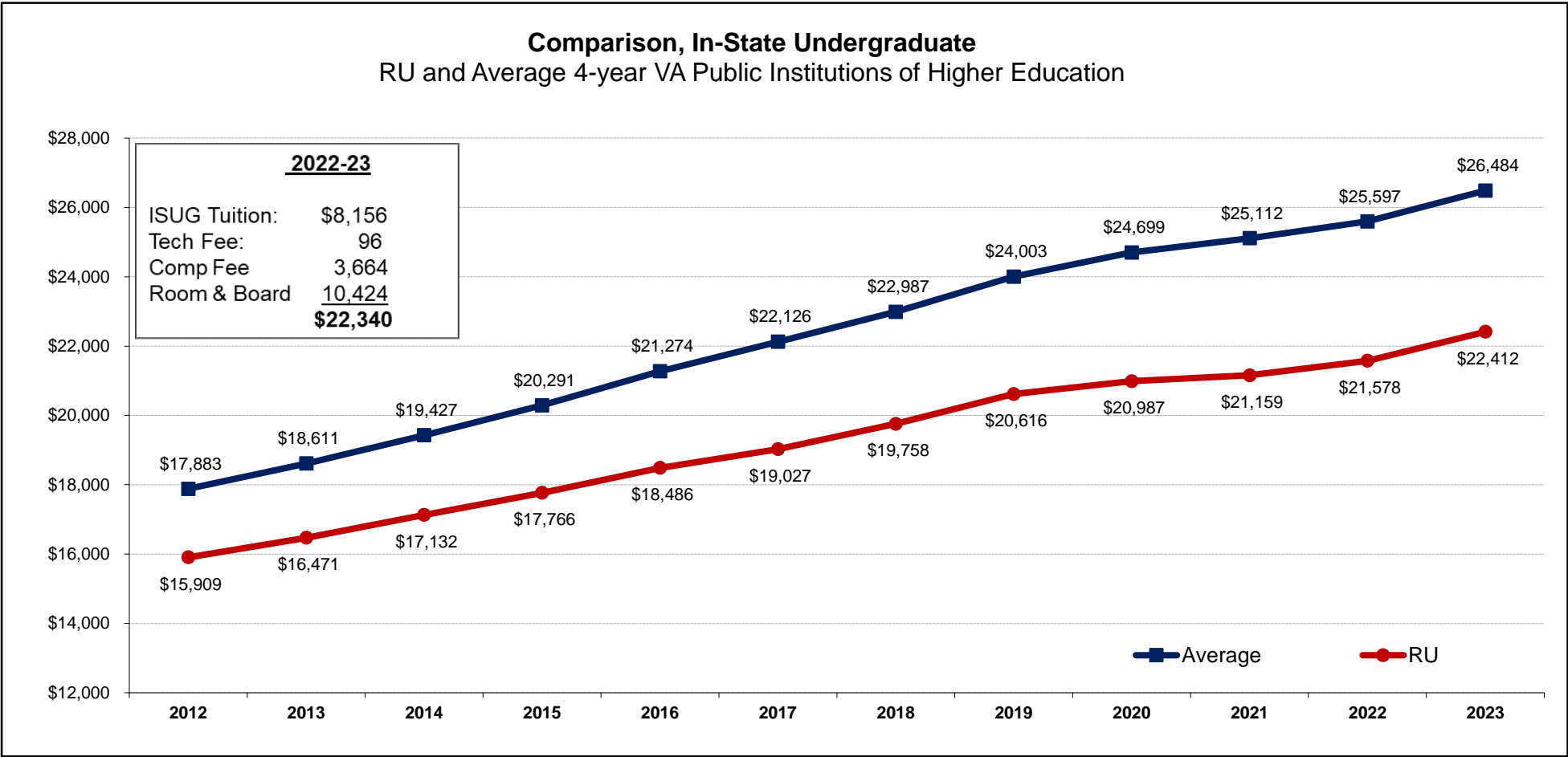
VA Public Higher Education Mandatory Non-E&G (Comp) Fee Rates



VA Public Higher Education Room & Board Rates



Radford University Total Cost: Affordable Provider



Rank	Inst.	2022-23
1	CWM	\$ 37,798
2	UVA	\$ 31,104
3	VMI	\$ 30,588
4	VCU	\$ 27,881
5	LU	\$ 27,632
6	CNU	\$ 27,415
7	GMU	\$ 26,524
8	UMW	\$ 25,890
9	VT	\$ 25,422
10	JMU	\$ 25,032
11	ODU	\$ 24,558
12	UVA-W	\$ 23,417
13	RU	\$ 22,340
14	VSU	\$ 21,198
15	NSU	\$ 20,466

Average - \$ 26,484

Tuition and Fee Approval Authority

In accordance with 2022 Acts of Assembly, Chapter 2, 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

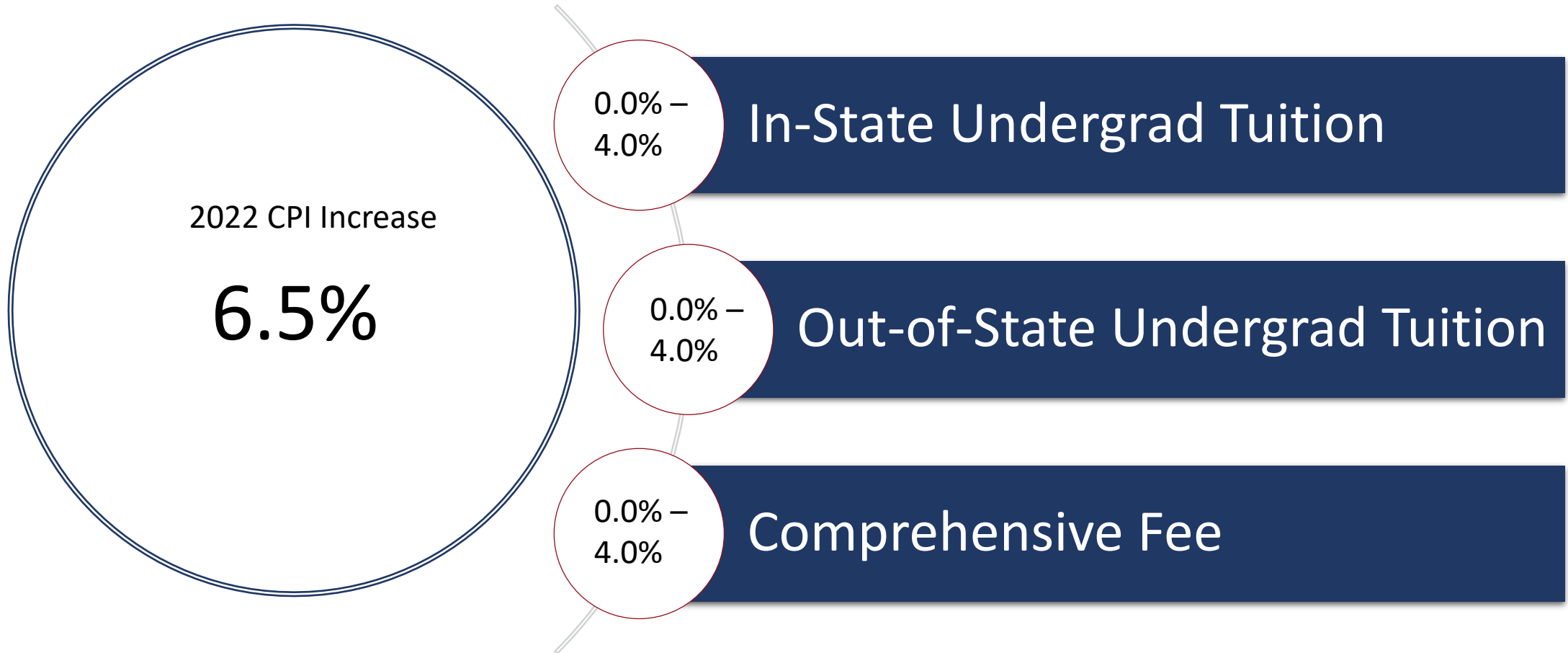
Tuition Notice and Public Comment

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

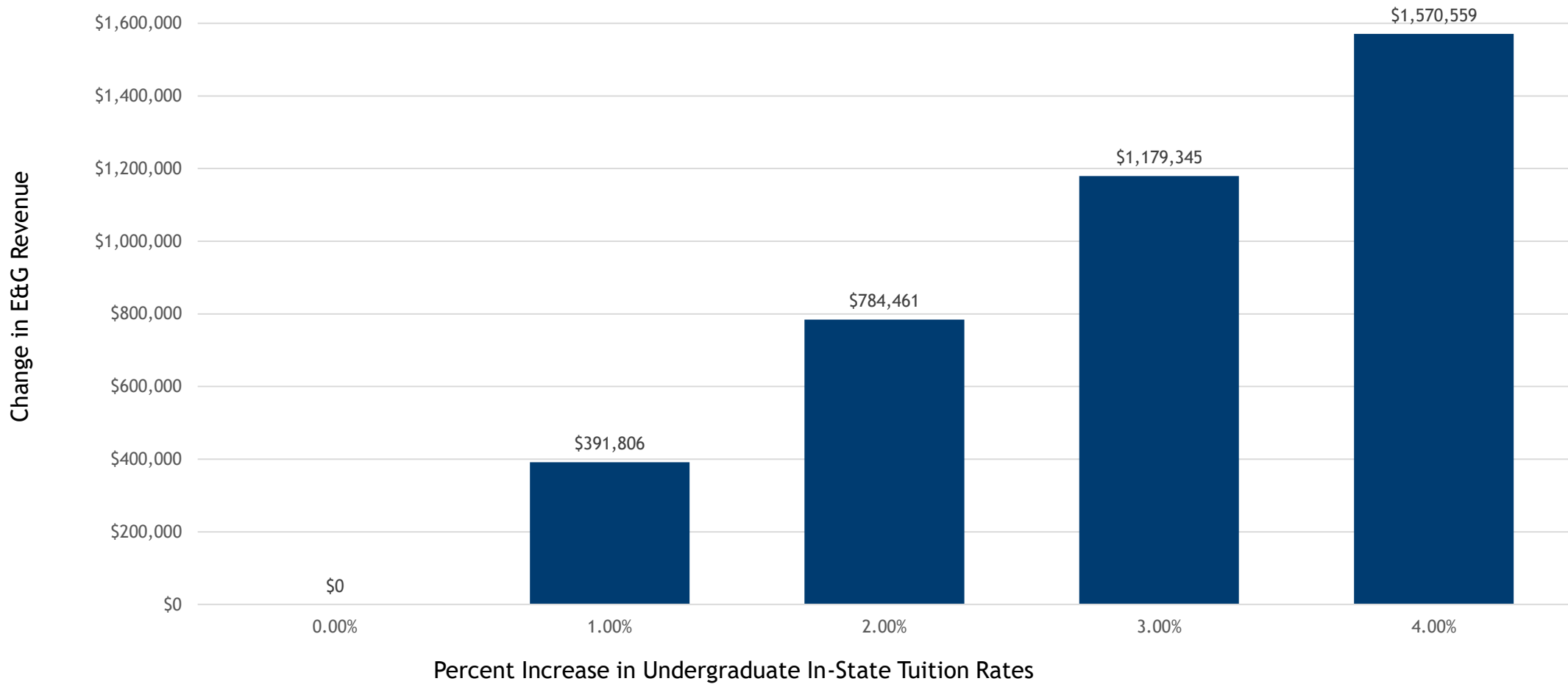
- No governing board of any public institution of higher education shall approve an increase in undergraduate tuition or mandatory fees without providing students and the public a projected range of the planned increase, an explanation of the need for the increase, and notice of the date and location 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 29, 2023, Radford University provided notice that the Board of Visitors will consider undergraduate tuition and mandatory fees rates for the 2023-2024 academic year.

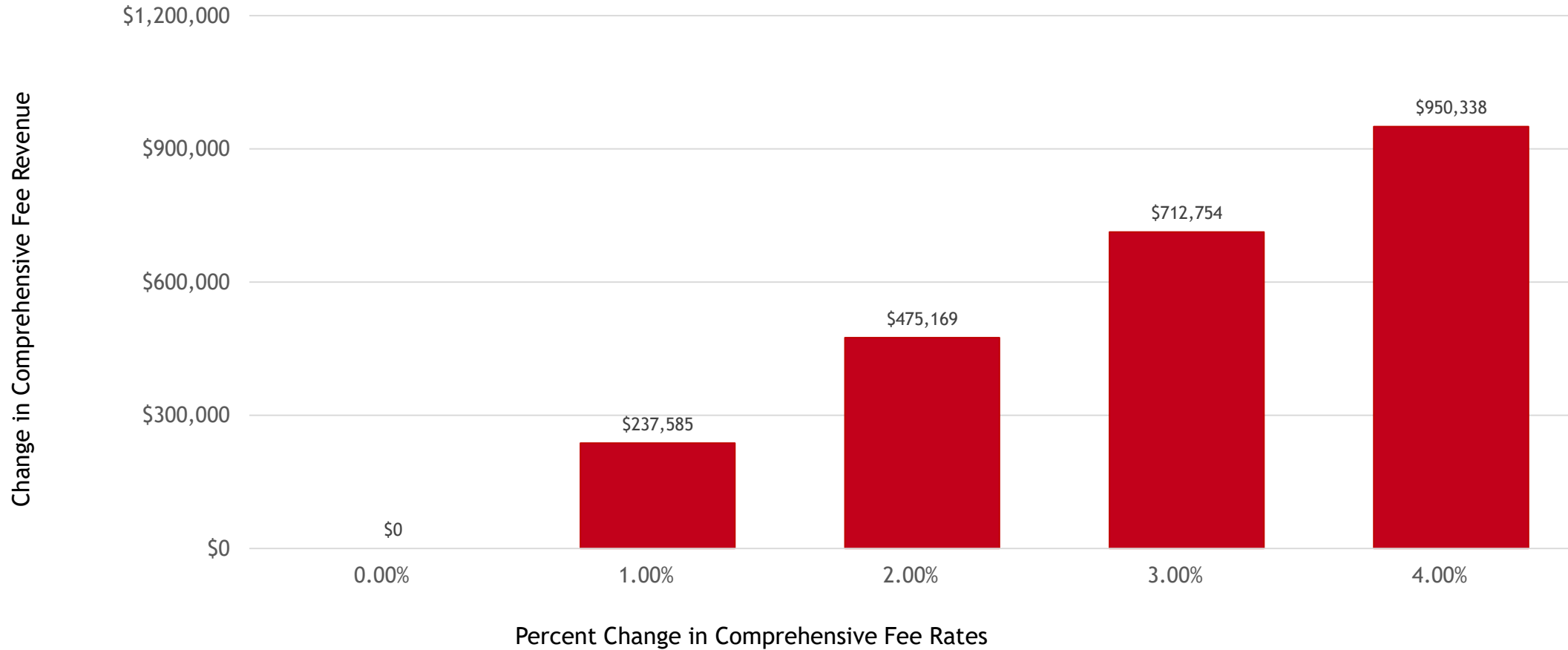
Undergraduate Tuition & Mandatory Fee Range



Impact of Tuition Changes



Impact of Comprehensive Fee Changes





Public Comment

End of Board of Visitors Materials

