



**VIRGINIA COMMONWEALTH UNIVERSITY
BOARD OF VISITORS
BUDGET WORKSHOP
MAY 11, 2023
8:00 A.M.¹
James Branch Cabell Library
901 Park Avenue – Room 303
Richmond, VA**

AGENDA

- | | |
|---------------------------------------------------|----------------------------------------------------------------------|
| 1. CALL TO ORDER &
OPENING REMARKS | Mr. H. Benson Dendy, III, <i>Rector</i> |
| 2. PRESIDENT’S REMARKS | Dr. Michael Rao, <i>President</i> |
| 3. FY23 BUDGET,
TUITION & FEES | Ms. Karol Kain Gray, <i>Senior Vice
President and CFO</i> |
| 4. ADJOURNMENT | Mr. H. Benson Dendy, III, <i>Rector</i> |

* There will be a public comment period at the Board of Visitors meeting on Friday, May 13, 2023. The board will receive comments only on matters pertaining to VCU’s enrollment and budget, tuition and fees.

¹ The start time for the Board of Visitors meeting is approximate only. The meeting may begin either before or after the listed approximate start time as Board members are ready to proceed.



Board Budget Workshop

KAROL KAIN GRAY
Senior Vice President & CFO

The Importance of Acting Now on Tuition & Fees

- Allow students and their families to make informed decisions about 2024 school year
- Complete financial aid packages for student planning
- Allow the University time to plan for the 2024 budget starting in July

2023 Deferral and No Funding Decisions

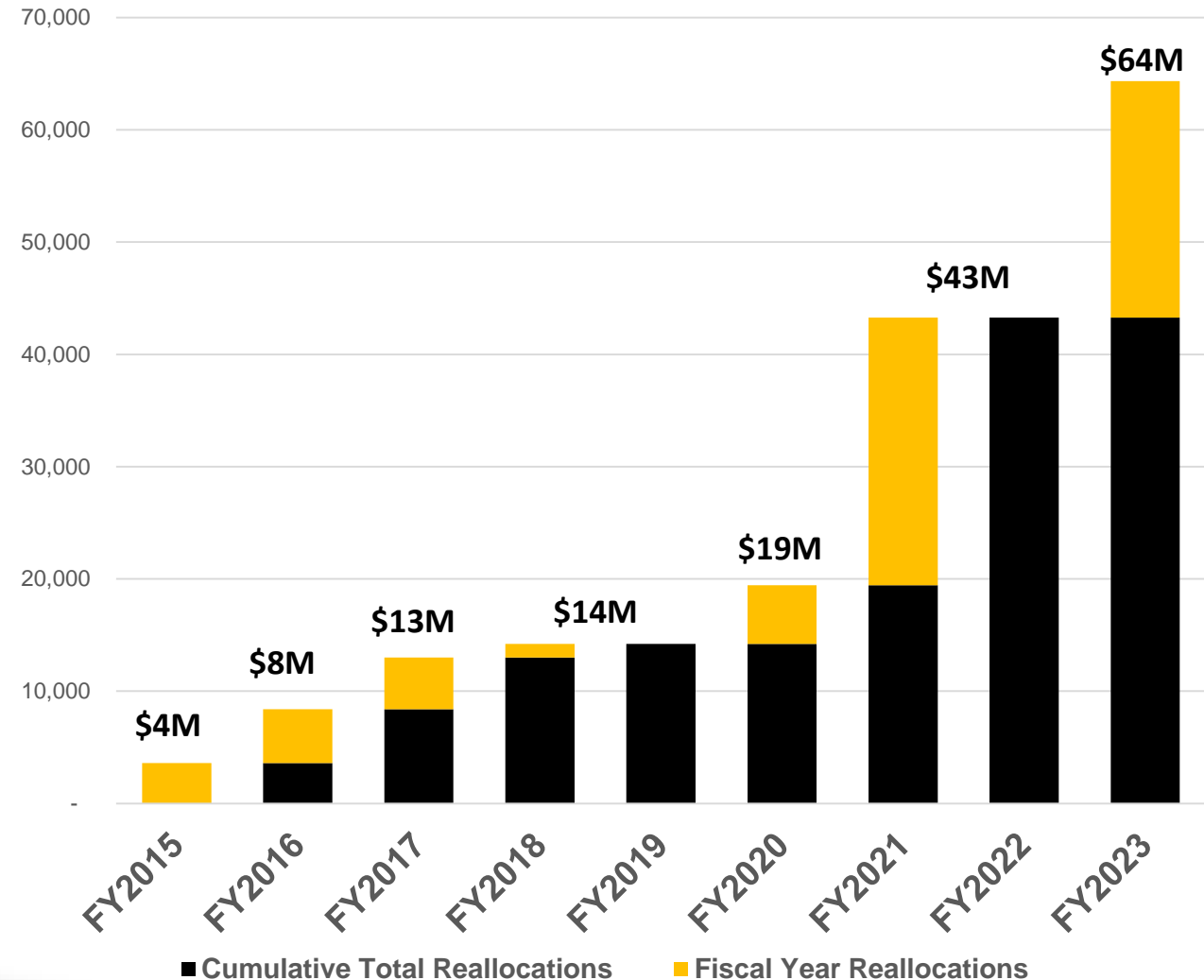
Impacting student and faculty success

- Deferred market salary adjustment for university advisors to July 2023
- Deferred investment in faculty recruitment and retention; Continued salary inequities for tenure and non-tenured faculty
- Deferred funding for a second year for library acquisitions
- Deferring funds to enhance online program growth
- Deferring funds to for strategic cluster hires

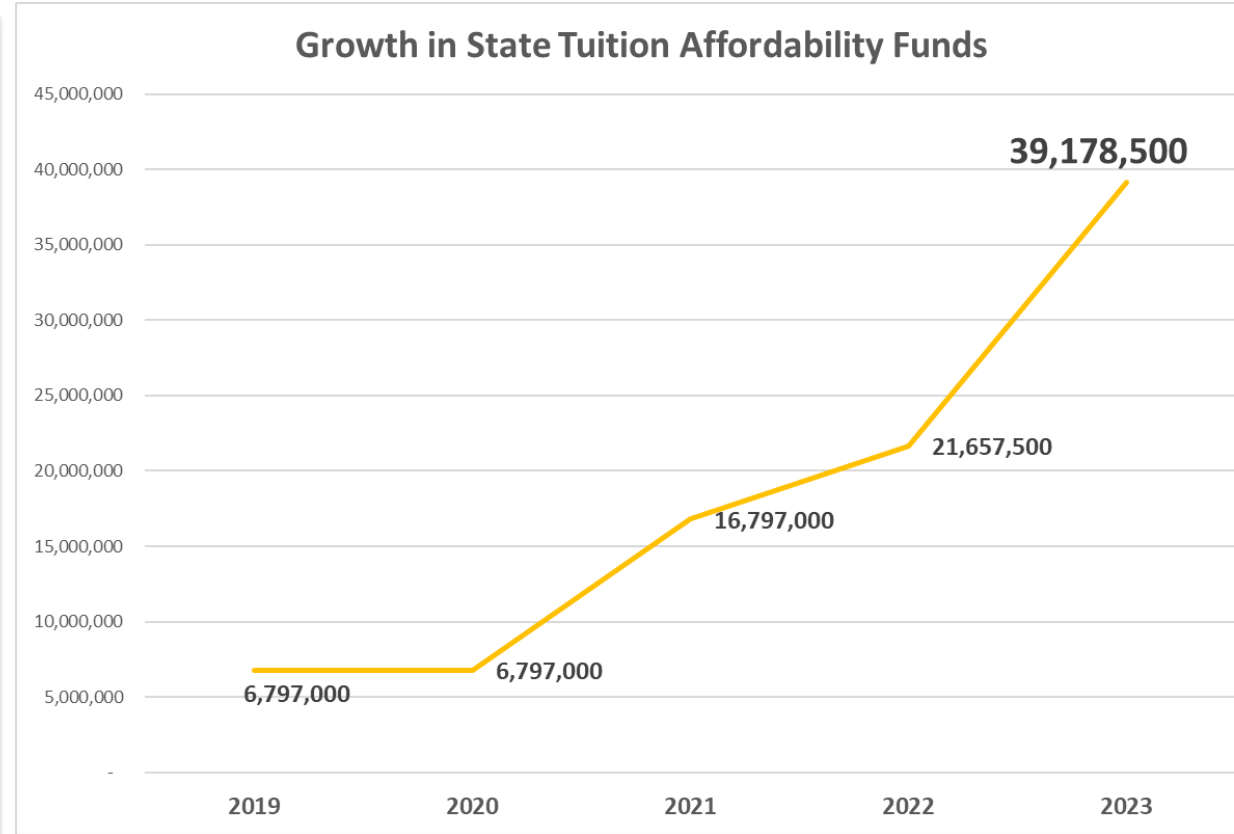
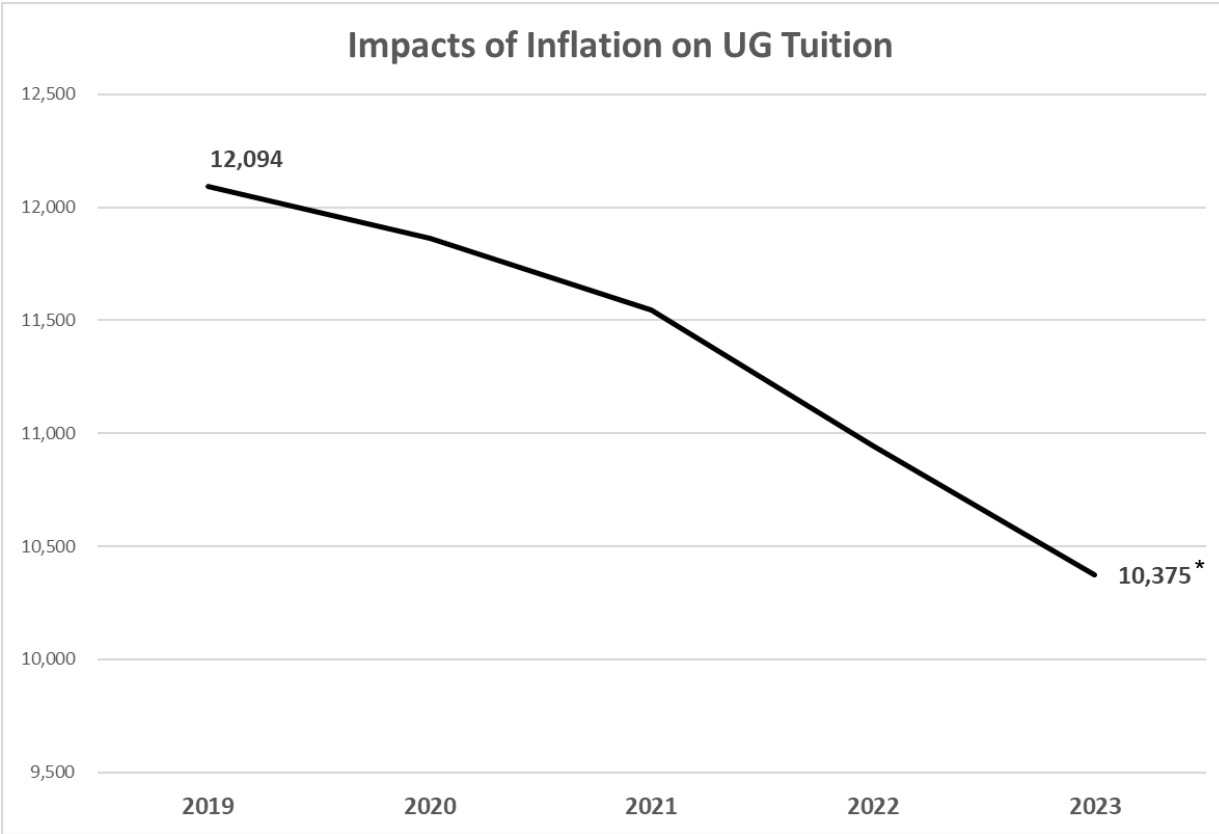
Administrative Impacts

- No funds identified for a portion of the capital campaign
- Eliminated positions in Finance & Administration
- No permanent funds identified to support the marketing communications plan
- No increased funding to support IT security needs
- Unable to close a funding gap for the research strategic plan

Reallocations 2015-2023



Impact of HEPI Inflation on Tuition with New State Funds



Inflation Loss of \$50.4M in all Levels of Tuition Spending Power

Gain of \$39M in Tuition Moderation State Funding

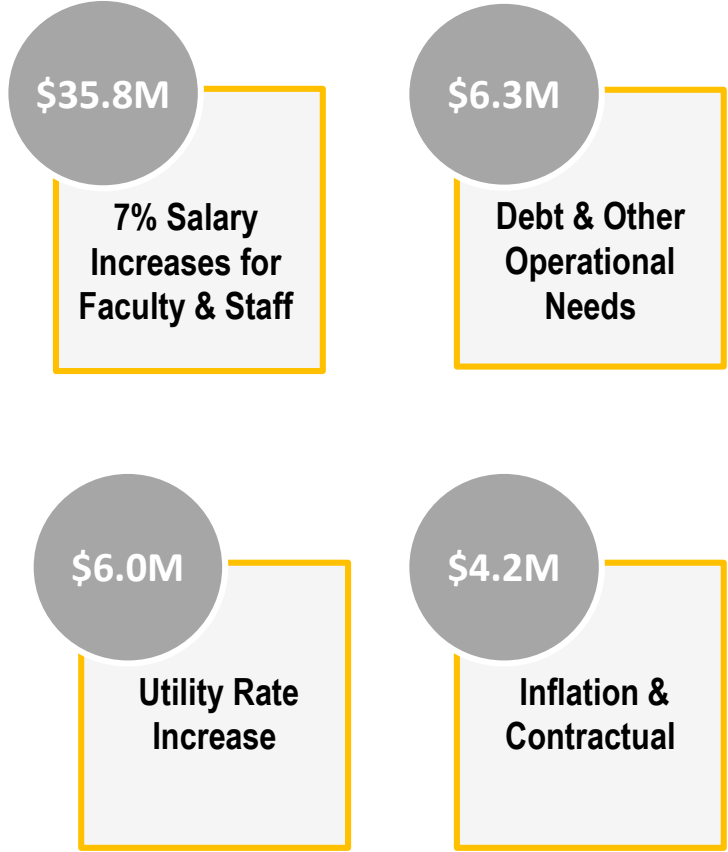
Loss of \$11.2M in tuition spending power with an increase in state funds

*FY23 3% increase not included due to waiver costs

Inflationary Impact on Tuition and Mandatory Fees

Fiscal Year	Higher Education Price Index (HEPI)	Consumer Price Index (CPI)	% Tuition and Mandatory Fees
2018-19	3.0%	1.6%	6.4%
2019-20	1.9%	0.6%	0.7%
2020-21	2.7%	5.4%	0.8%
2021-22	5.2%	9.1%	2.2%
2022-23*	5.2%	6.5%	3.5%
Average Increase	3.6%	4.6%	2.7%
Total over 5 yrs	18.0%	23.2%	13.6%

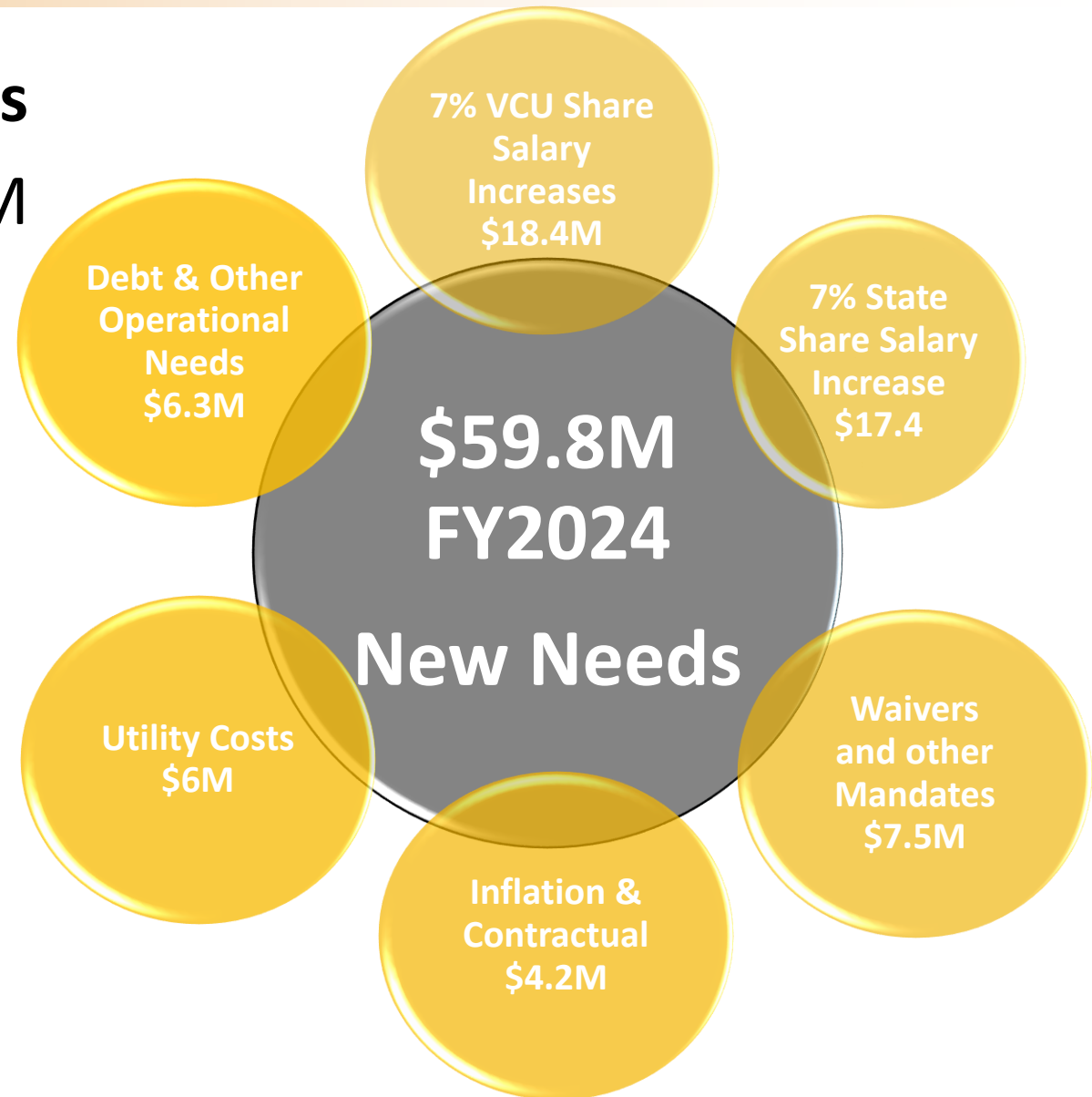
FY 2024 Inflationary Increases



FY2024 Budget

New Critical Needs & Inflationary Costs

- 7% Salary increases total cost \$35.8M
- Waivers and other mandates \$7.5M
- Inflation & Contractual \$4.2M
- Utility Costs \$6M
- Debt & Other Operational Needs \$6.3M



3% Increase in Tuition with Proposed Budget

	Projected Tuition Increase	3%
	New Tuition & Enrollment	\$ 12,675
	Salary Increase (49%)	<u>17,457</u>
	Tuition and Salary Revenue Growth	30,132
	New Expense Needs (W/ 7% Salary)	<u>(59,887)</u>
	Net Position Before New State Funds	(29,755)
	Biennial	-
	House	10,634
	Senate	20,450
	Reallocations Needed To Balance	
	(29,755)	(19,121)
		(9,305)

Scenarios are in addition to FY23 3% increase

4% Increase in Tuition with Proposed Budget

Projected Tuition Increase	4%	
New Tuition & Enrollment	\$ 16,224	
Salary Increase (49%)	17,457	
Tuition and Salary Revenue Growth	33,681	
New Expense Needs (W/ 7% Salary)	(59,887)	
Net Position Before New State Funds	(26,206)	
	Biennial	House
	-	10,634
		Senate
		20,450
Reallocations Needed To Balance	(26,206)	(15,572)
		(5,756)

Scenarios are in addition to FY23 3% increase

5% Increase in Tuition with Proposed Budget

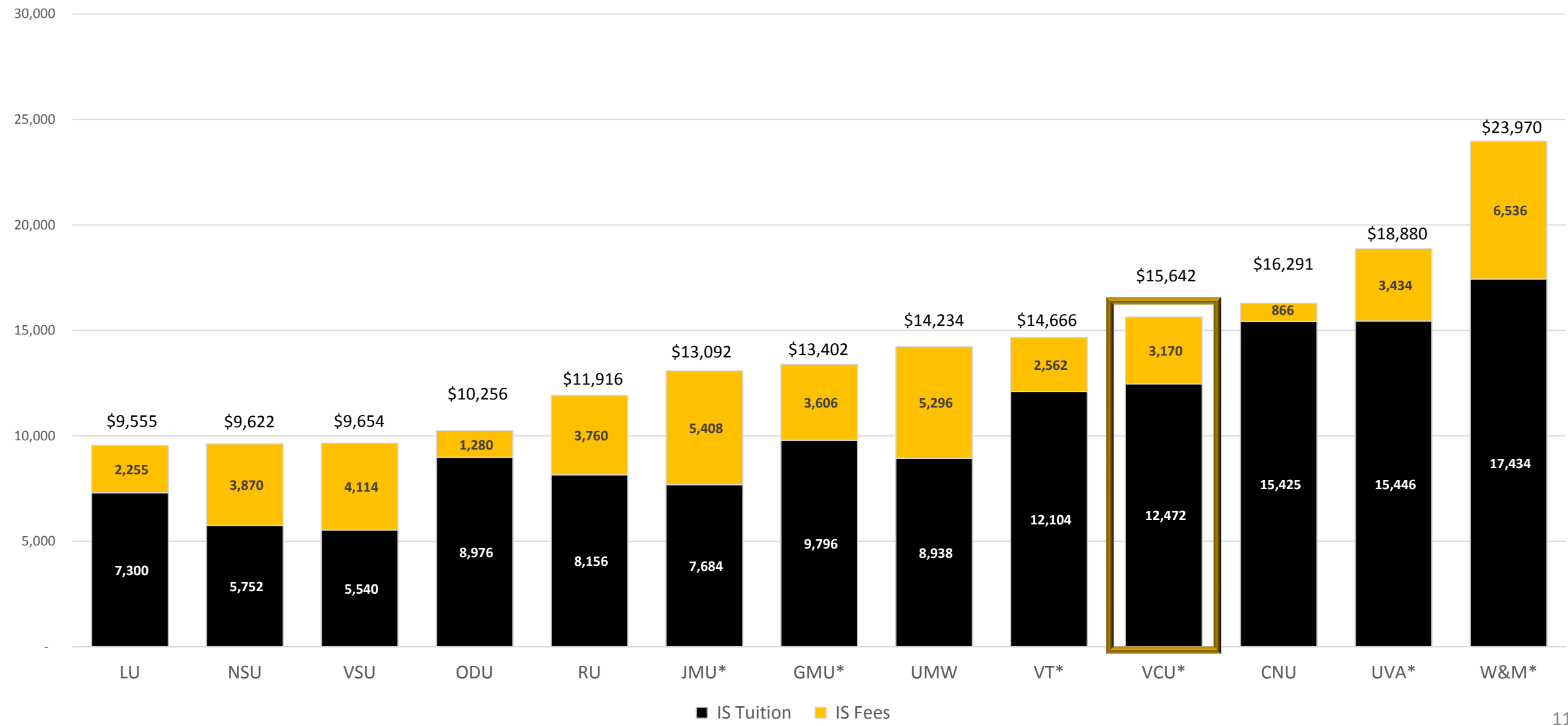
Projected Tuition Increase	5%	
New Tuition & Enrollment	\$ 19,773	
Salary Increase (49%)	17,457	
Tuition and Salary Revenue Growth	37,230	
New Expense Needs (W/ 7% Salary)	(59,887)	
Net Position Before New State Funds	(22,657)	
	Biennial	House
	-	10,634
		Senate
		20,450
Reallocations Needed To Balance	(22,657)	(12,023)
		(2,207)

Scenarios are in addition to FY23 3% increase

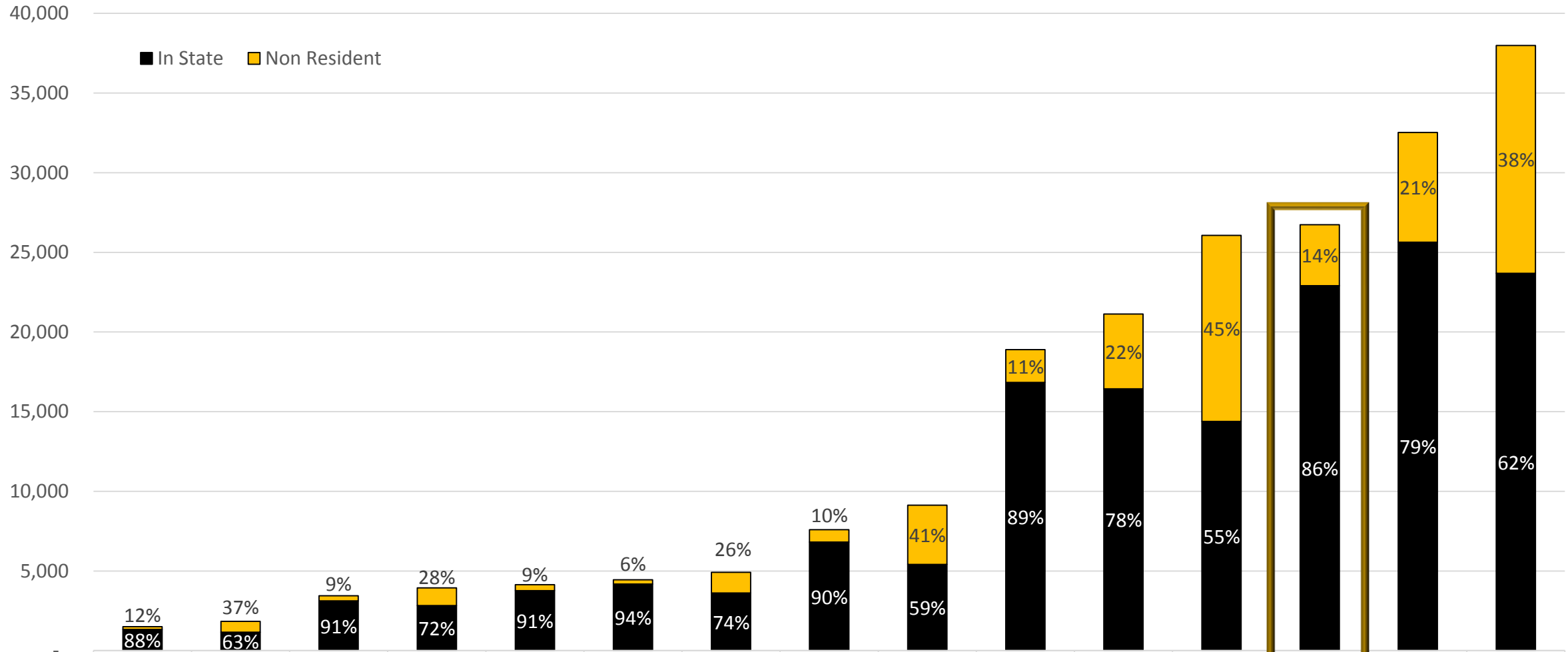
FY2024 Proposed Rate Increases for Tuition, Fees, Housing & Dining



Resident Undergrad Tuition & Mandatory Fees (2022-23)



Total Annual Student FTE's By Residency (2022-23)



	UVA Wise	VMI	UMW	VSU	LU	CNU	NSU	RU	W&M	ODU	JMU	UVA	VCU	GMU	VT
Total	1,503	1,830	3,442	3,932	4,138	4,441	4,911	7,586	9,123	18,891	21,130	26,070	26,730	32,524	37,981
■ Non Resident	179	674	315	1,108	370	264	1,294	775	3,715	2,054	4,701	11,678	3,821	6,883	14,304
■ In State	1,324	1,156	3,127	2,824	3,768	4,177	3,617	6,811	5,408	16,837	16,429	14,392	22,909	25,641	23,677

Annual Proposed Tuition & Fees - Resident Undergraduate

	Proposed FY2024		
Tuition Increase %	3.0%	4.0%	5.0%
Fee Increase %	6.7%	6.7%	6.7%
Overall Increase %	3.8%	4.5%	5.4%
Tuition - 15 Credit Hours	12,850	12,966	13,110
Mandatory Fees	3,383	3,383	3,383
Total Tuition & Fees	\$16,233	\$16,349	\$16,493
Tuition Increase	378	494	638
Fee Increase	213	213	213
Total Increase	\$591	\$707	\$851

Annual Proposed Tuition & Fees – Non-Resident Undergraduate

	Proposed FY2024		
Tuition Increase %	3.0%	4.0%	5.0%
Fee Increase %	5.5%	5.5%	5.5%
Overall Increase %	3.3%	4.2%	5.0%
Tuition - 15 Credit Hours	34,744	35,092	35,412
Mandatory Fees	4,073	4,073	4,073
Total Tuition & Fees	\$38,817	\$39,165	\$39,485
Tuition Increase	1,016	1,364	1,684
Fee Increase	213	213	213
Total Increase	\$1,229	\$1,577	\$1,897

Proposed Mandatory Fees

	Proposed		
	\$ Increase	FY2024	%
Library Fee	\$ 4	\$ 88	5.0%
Technology Fee	15	315	5.0%
University Fee	188	2,544	8.0%
Health Service Fee	6	246	2.6%
Student Activity Fee	-	90	0.0%
Academic Support Services Fee	-	100	0.0%
Total Resident	213	3,383	6.7%
Capital Outlay Fee	-	690	-
Total Non-Resident	\$ 213	\$ 4,073	5.5%

9-Month Room and Board Comparison Plan Rates

	Housing Rates ⁺			Dining Rates	Room and Board Total Cost
	Traditional Double	Traditional Single	Apt Two Bedroom	Least Cost On-Campus Plan	
College of William and Mary	\$8,785	\$9,024	\$9,256	\$5,246*	\$14,031
Old Dominion University	7,849	9,210	11,495	6,056	13,905
University of Virginia	7,470	8,120	8,050	6,320	13,790
George Mason University	7,970	10,720	10,970	5,550	13,520
Virginia Commonwealth University	7,849	8,845	9,064	5,302	13,151
Virginia Tech	6,520	9,654	NA	4,754*	11,274

+ Housing & Dining rates shown are 2024 annual rates. Most universities have ranges for room types and quality levels (i.e. corner room). Rates shown are the lowest rate for the lowest level of room. Dining prices represent the least cost required Freshman dining plan for on campus residency that may be selected at each university.

*2023 annual rates. 2024 not yet updated.

12-Month Room Rates Off Campus Comparison

	Studio Apartment Style	2 Bedroom Apartment Style	4 Bedroom Apartment Style	Monthly Utilities
Ascend	\$17,400	\$13,440	\$11,340	Student pays electricity and cable
8 1/2 Canal Street	17,388	11,628	10,068	Student pays electricity beyond \$40 cap per person
1200 West Marshall	16,668	12,468	11,028	Student pays electricity beyond \$40 cap per person
Ramz Apartments	15,348	9,948	NA	Student pays electricity beyond \$40 cap per person
The James	15,228	10,788	9,588	Student pays electricity beyond \$25 cap per person
VCU	13,292	11,894	10,015	All Included

Proposed Housing & Dining Plan Rates per Semester

	FY2023	FY2024 Proposed	\$ Increase	% Increase
Dining				
All Access Swipes w/ \$225 per semester ^(1,2)	\$ 3,084	\$ 3,392	\$ 308	10%
250 Swipes w/ \$225 per semester ⁽¹⁾	2,724	2,998	273	10%
200 Swipes w/ \$225 per semester ⁽¹⁾	2,469	2,716	247	10%
Housing				
Apt Single Bedroom (Cary & Belvidere and West Grace South)	8,705	9,358	653	7.5%
Apt Double Bedroom (West Grace South)	8,432	9,064	632	7.5%
Traditional Single (Rhoads)	8,228	8,845	617	7.5%
Traditional Double (Rhoads)	7,301	7,849	548	7.5%

¹All students residing in University Housing, other than graduate students or VCU apartment residents, are required to purchase a residential dining plan. Residential dining plans are indicated above with a (1).

Annual Undergraduate Resident - Inclusive Room & Board

	Proposed FY2024		
Tuition & Fee Increase %	3.8%	4.5%	5.4%
Room and Board Increase %	8.6%	8.6%	8.6%
Overall Increase %	5.9%	6.3%	6.8%
Tuition and Fees	\$ 16,233	\$ 16,349	\$ 16,493
Room & Board	13,844	13,844	13,844
Tuition , Fees, Room & Board	30,077	30,193	30,337
Tuition and Fee Change	591	707	851
Room and Board Change	1,093	1,093	1,093
Change Per Year	1,684	1,800	1,944
Change Per Semester	\$ 842	\$ 900	\$ 972

FY2024 First Professional Proposed Rates - Annual

Student Classification	Tuition \$ Increase	Tuition % Increase	Fee \$ Increase	Fee % Increase	Total \$ Increase	Total % Increase
Resident Medicine	1,033	3.0%	184	5.2%	1,217	3.2%
Non-Resident Medicine	1,731	3.0%	184	4.3%	1,915	3.1%
Resident Pharmacy	585	2.0%	169	4.9%	754	2.6%
Non-Resident Pharmacy	842	2.0%	169	4.1%	1,011	2.2%
Resident Dentistry	1,939	4.5%	759	4.1%	2,698	4.4%
Non-Resident Dentistry	3,416	4.5%	759	3.9%	4,175	4.4%