

Budget Workshop

April 11, 2024

Meredith Weiss, Interim VP for Finance & CFO

David Allen, Associate Vice President for Budget & Treasury

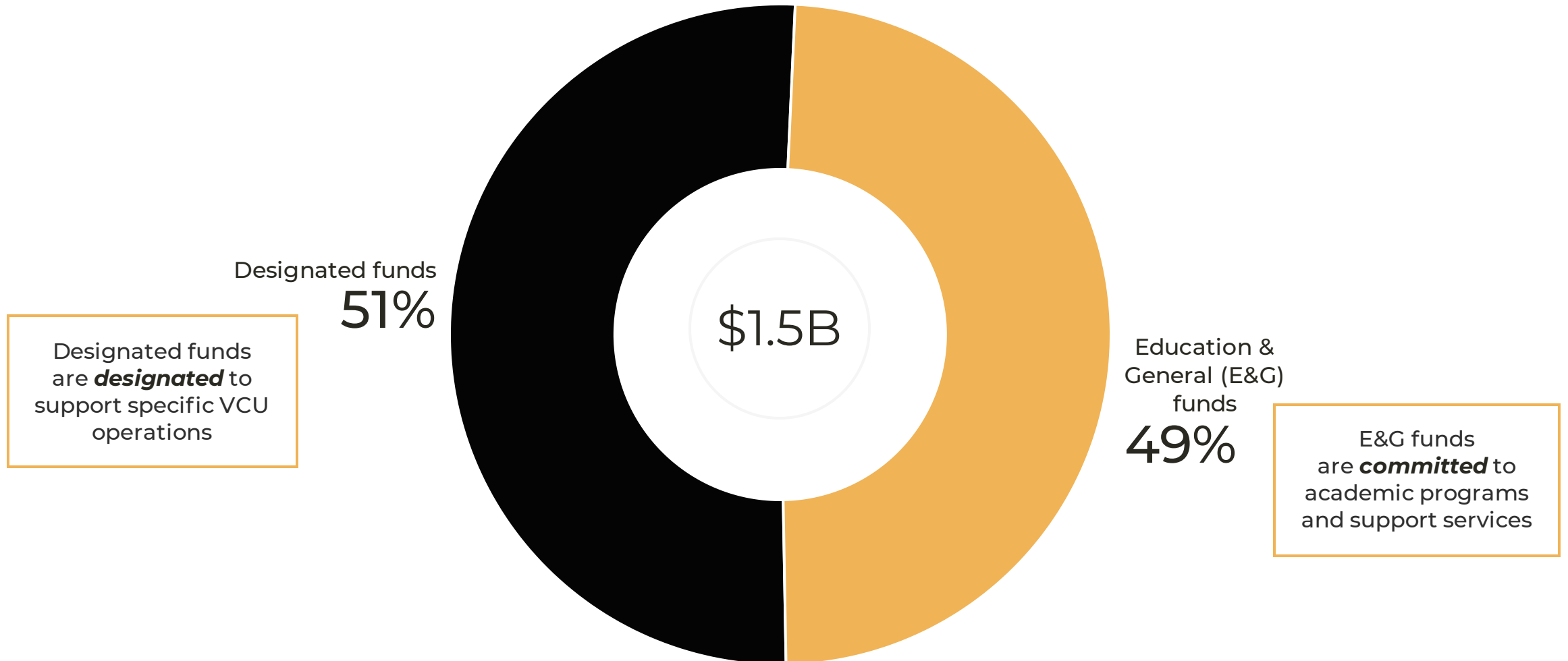


Investing in the **UNSTOPPABLE**



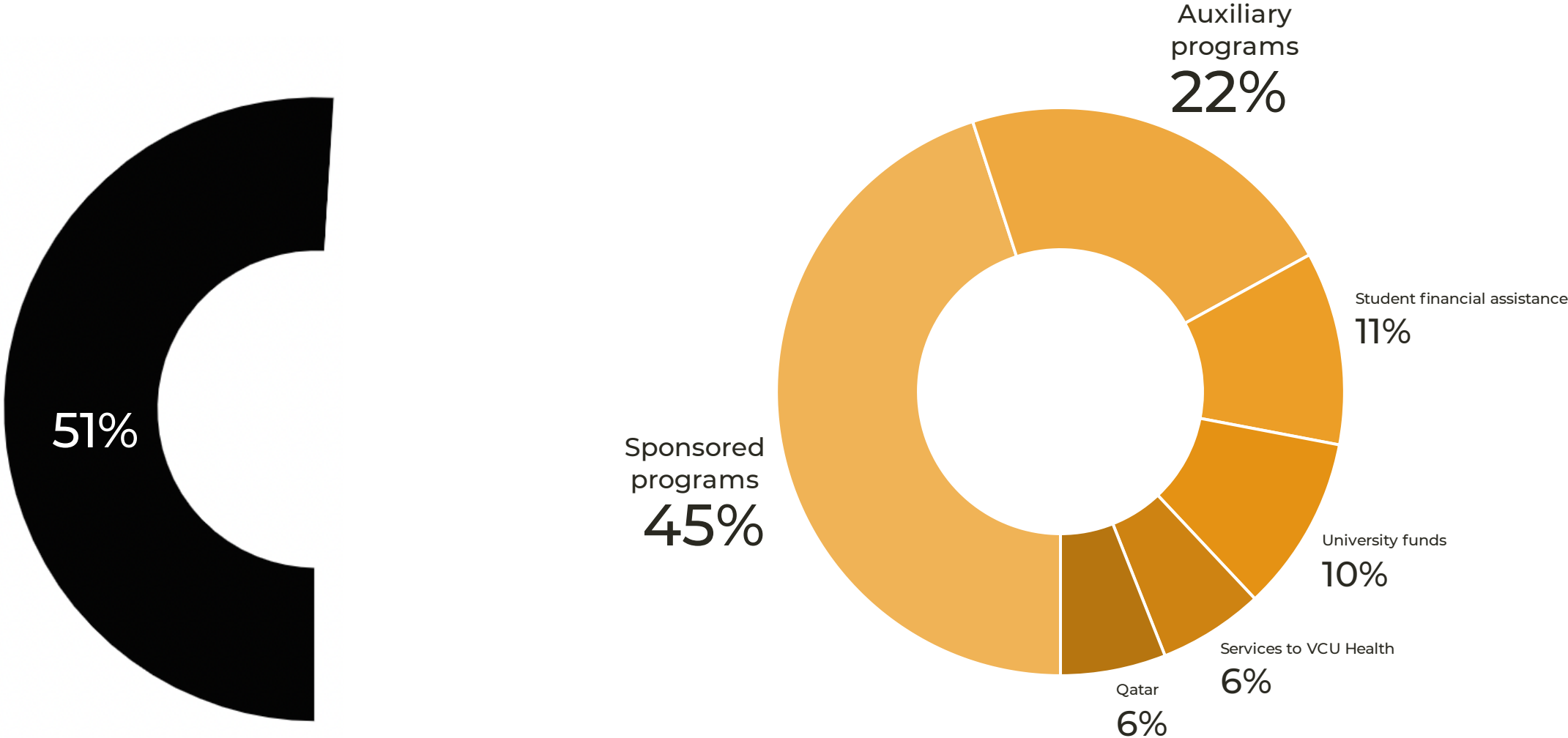
Aligning resources to drive VCU's success and value

VCU FY2024 all funds operating budget



Designated funds - 51%

Designated funds are *designated* to support specific VCU operations

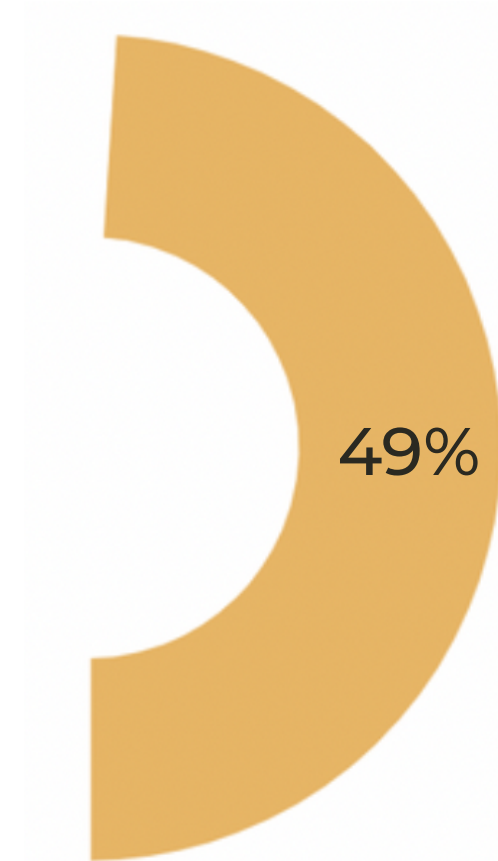
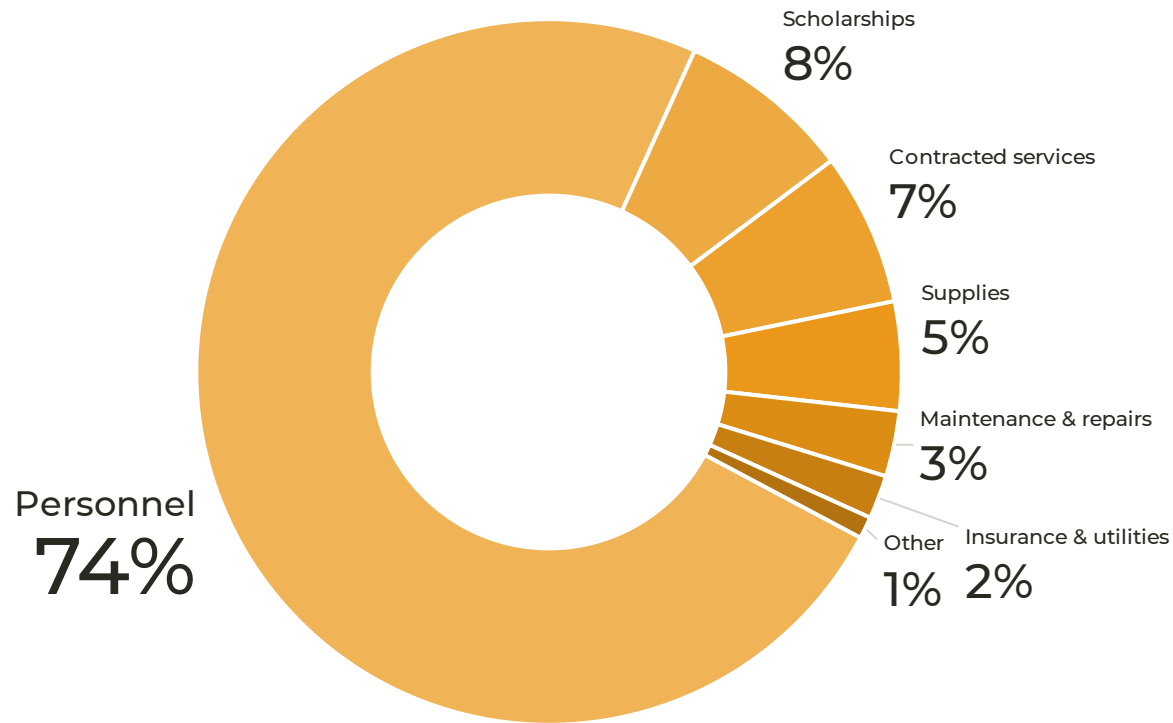


For more information, visit VCU's new website: Understanding VCU's finances at about.finance.vcu.edu

Education & General (E&G) funds - 49%

E&G funds are *committed* to academic programs and support services

Tuition and fees (61%), state funding (36%), other (3%)



Students are
noticing

SPRING 2024
ENROLLMENT IS UP

1.2%

2ND SEMESTER
RETENTION IS OVER

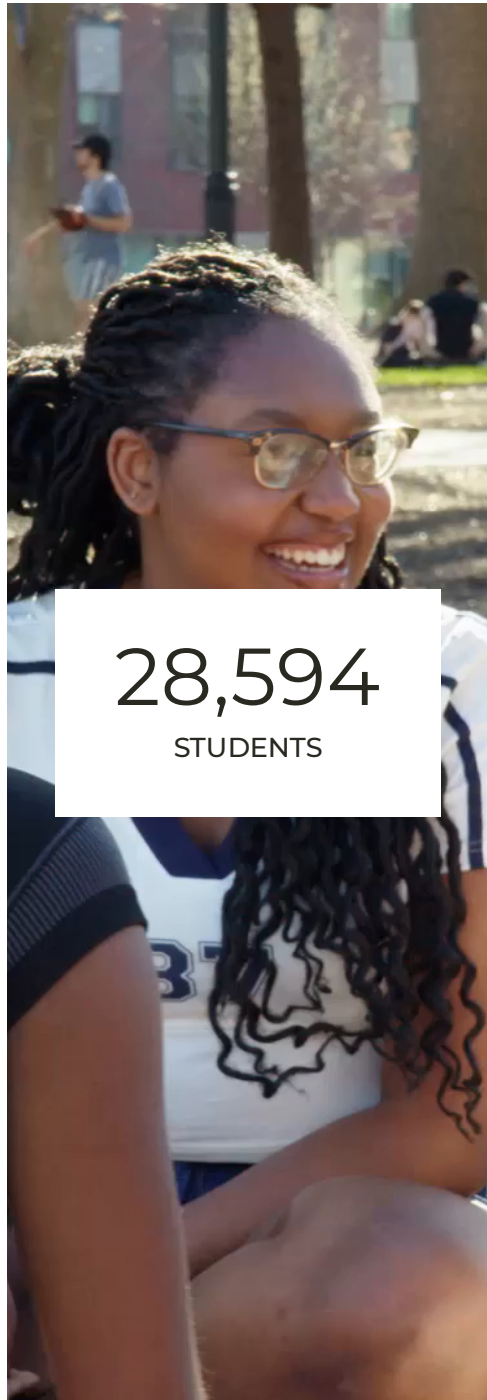
94%

FALL APPLICATIONS
ARE UP

11.7%



Our students



28,594
STUDENTS

37%

Fall freshman who are 1st generation college students

31%

Undergraduates who received pell grants

91%

of students are Virginia residents

34%

VCU graduates with a bachelor's degree earn 34% more than VA high school graduates

71%

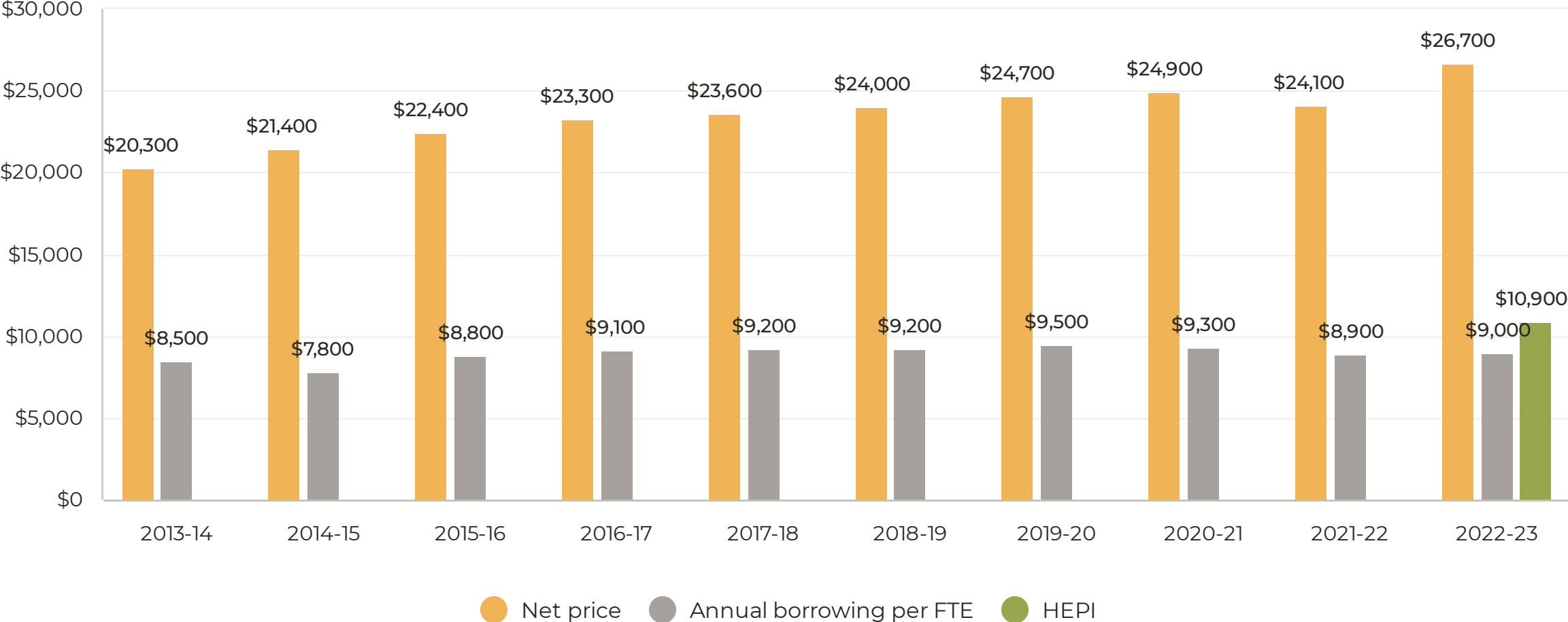
VCU graduates with a master's degree earn 71% more than VA high school graduates

68%

of VCU's 218,000 alumni live in Virginia

Accessibility and affordability is a priority

Borrowing per student has remained flat since 2013



Source: State Council of Higher Education for Virginia. (2023). VCU Fact Pack. (pg. 35)

Accessibility, affordability & innovation

VCU's recent strategy



Keeping tuition and fee increases below higher education & consumer price indexes



Cuts & realignment to address priorities, inflation & state mandates (e.g., salary increases and military waivers)



Investments in financial aid



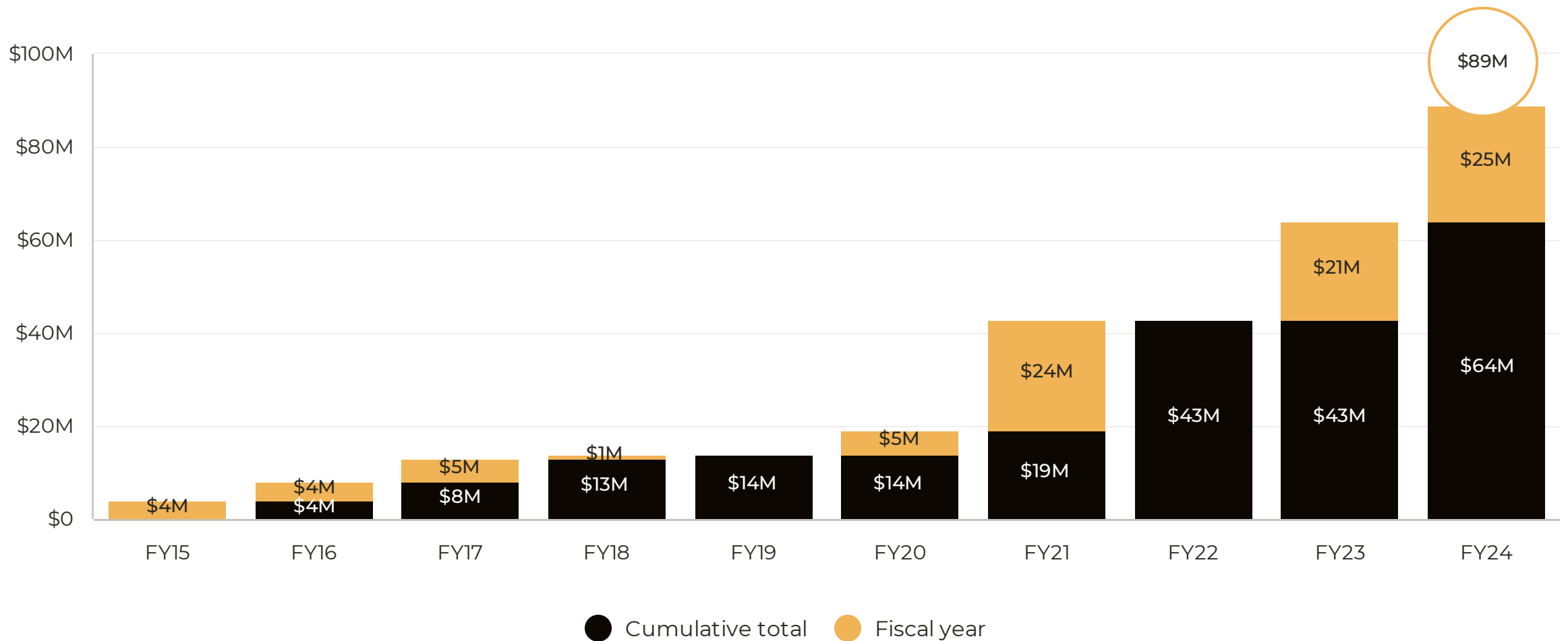
One-time funding to start innovative new programming

Tuition and fees lag inflation

Consumer Price Index (CPI) & Higher Education Price Index (HEPI)

Fiscal year	Consumer Price Index (CPI)	Higher Education Price Index (HEPI)	VCU % Tuition & fees	VCU \$ Tuition & fees
2018-19	2.1%	3.0%	6.4%	\$14,490
2019-20	1.6%	1.9%	0.7%	14,596
2020-21	2.3%	2.7%	0.8%	14,710
2021-22	7.2%	5.2%	2.2%	15,028
2022-23	6.3%	4.0%	4.1%	15,642
2023-24	TBD	TBD	3.8%	16,233
Avg. increase	3.9%	3.4%	3.0%	

Cuts & realignments



Lean management

Administrative efficiencies

Peer universities	% Management employees (FTE)/all employees
University of Alabama at Birmingham	5%
Virginia Commonwealth University	6%
George Mason University	6%
University of Louisville	12%
University of Cincinnati (Main Campus)	13%
University of Virginia	13%
University of South Carolina (Columbia)	16%
Mean	11%
Median	12%

Build on momentum

Invest in the value of a VCU degree



Drive academic & research excellence

Innovative academic programs

World-class faculty



Transform applied learning

Every Ram's a researcher!

Every Ram is career ready!



Champion AI in teaching & learning

Convergence Labs @ VCU

Critical & inflationary costs

Invest in the value of a VCU degree

Critical and inflationary costs: \$21.7M

Maintenance & service contracts
(e.g., facilities, academic, IT, etc.)
Faculty promotions & fringe
Military waivers*

State salary increases: \$7.5M

3% state mandated faculty & staff increases total
\$14.7M, 49% of which is state funded*

*estimated pending legislative outcomes

Value investment: \$18M

Drive academic & research excellence
Transform applied learning
Champion AI in teaching & learning

Align and grow Educational & General funds to further advance the value of a VCU degree



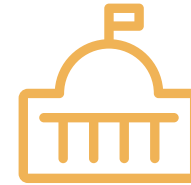
Enrollment growth & retention

1% = \$4.4M



Realignment & efficiency

1% E&G cut = \$6.2M



State support

\$0 to \$28M est.



Tuition

1% = \$4.4M

2024-2025 tuition rates

Virginia R1 and Tier III institutions



Approved tuition increases

University of Virginia (**3%**)

Virginia Tech (**2.9%**)



Proposed tuition increases

George Mason **3%** (BOV vote 5/2)

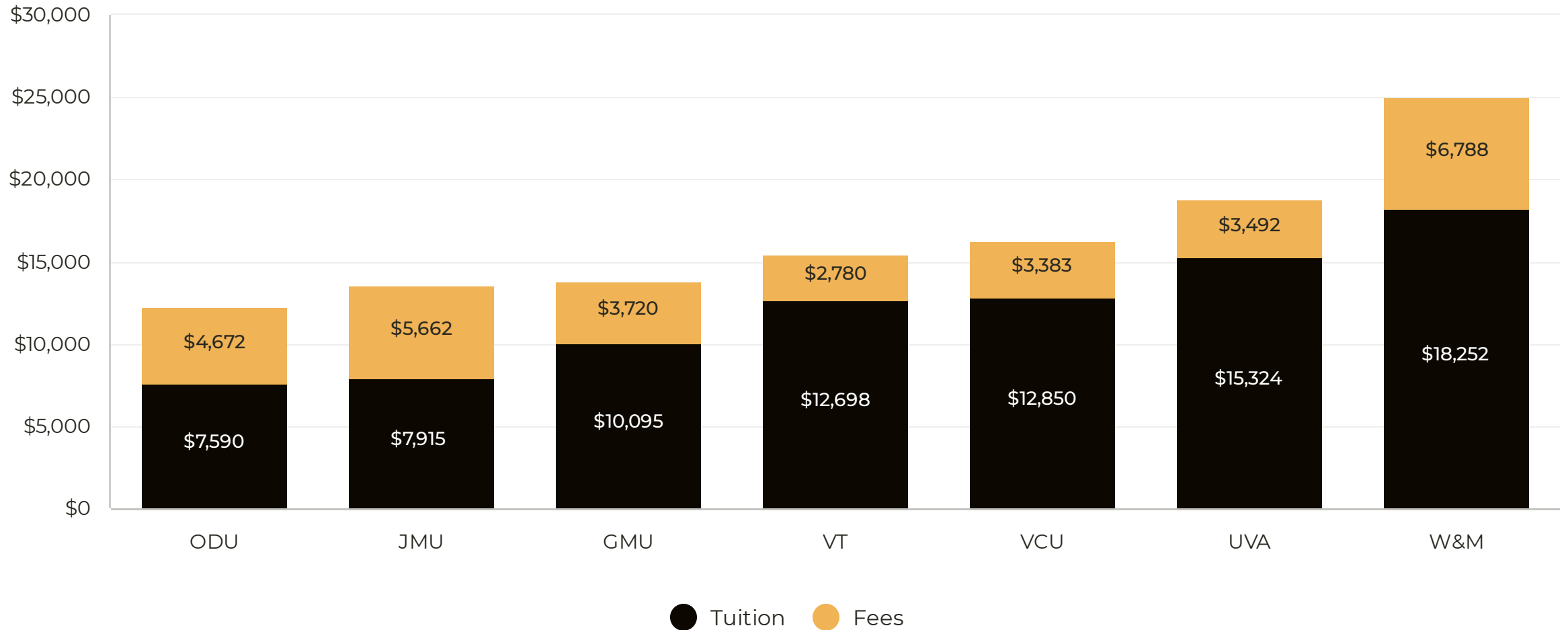
James Madison **0% to 4%** (BOV vote 4/19)

Old Dominion **0% to 5%** (BOV vote 4/19)

William & Mary **0% to 4%** (BOV vote 4/26)

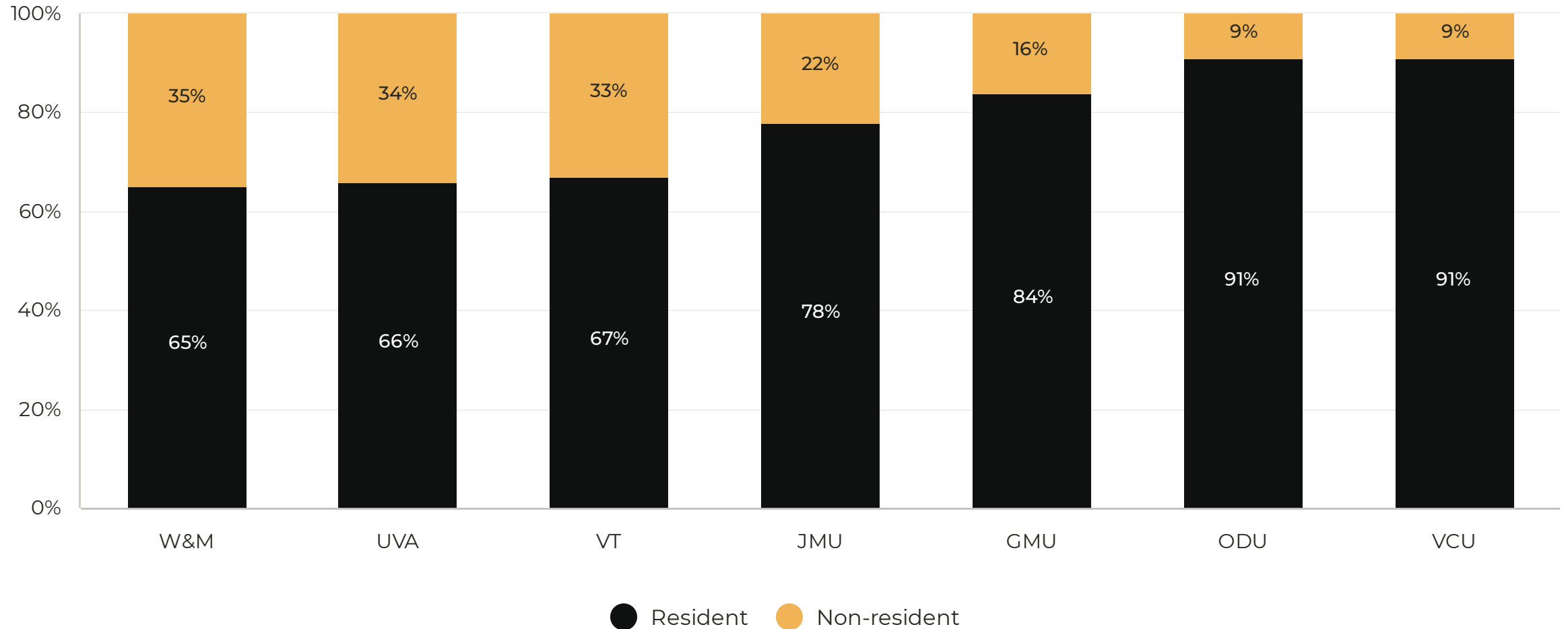
Virginia resident tuition & mandatory fees 2023-24

Virginia R1 and Tier III institutions



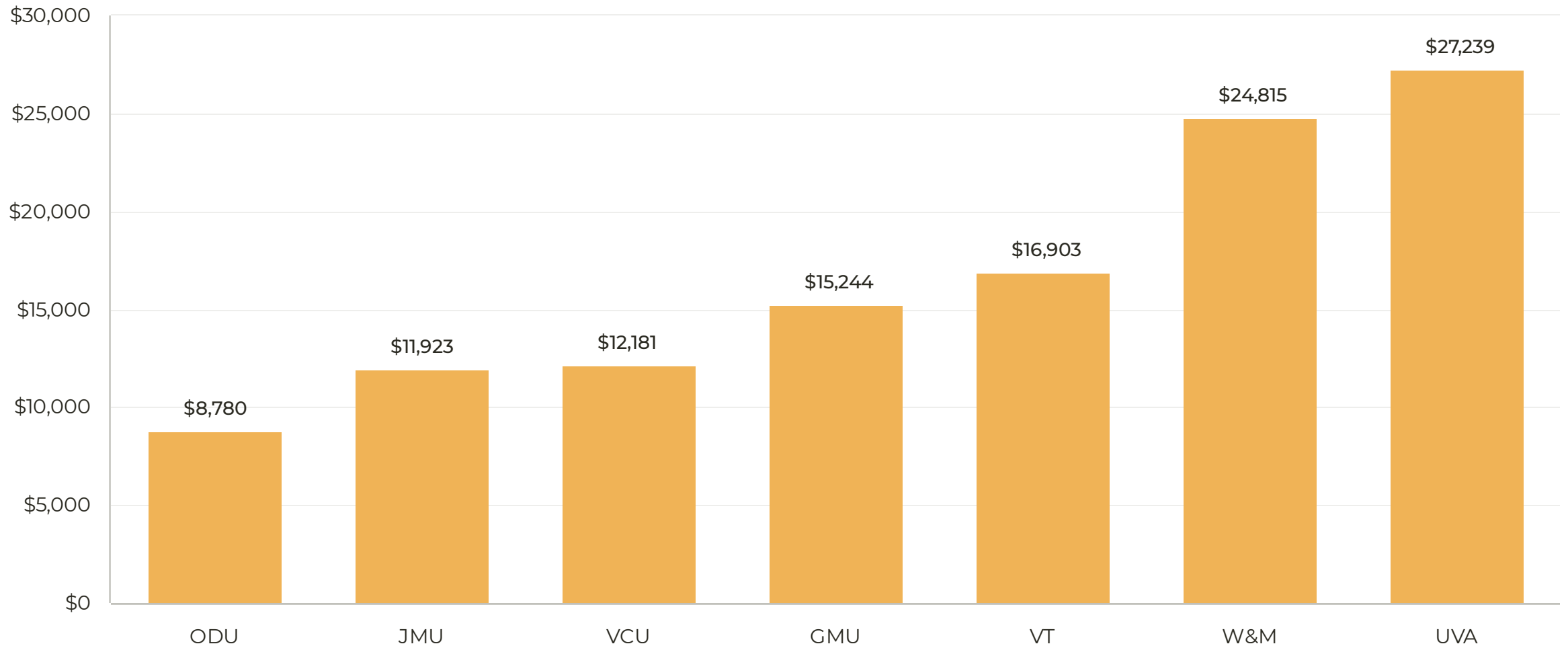
VCU serves a high percentage of resident students

Total student undergrad FTE by residency








Total undergraduate tuition revenue net of waivers per student FY23

Virginia R1 and Tier III institutions



Grow value investment

**CPI: 3.3%
***HEPI: 4%

FY25 tuition rate increase options	FY24 tuition	1%	2%	3%	3.3%	4%
Projected revenue growth						
Enrollment growth & tuition 	\$2,735	\$7,113	\$11,491	\$15,869	\$17,182	\$20,247
*State operating & salary support 	\$25,795	\$25,795	\$25,795	\$25,795	\$25,795	\$25,795
Total projected revenue growth	\$28,530	\$32,908	\$37,286	\$41,664	\$42,977	\$46,042
Projected expenditures & investments						
Critical, inflationary & salary increases needs	\$36,481	\$36,481	\$36,481	\$36,481	\$36,481	\$36,481
Value investment from enrollment growth & tuition 	\$1,000	\$2,000	\$3,000	\$5,183	\$6,496	\$9,561
Total expenditures & investments	\$37,481	\$38,481	\$39,481	\$41,664	\$42,977	\$46,042
Required cuts & efficiencies to balance 	-\$8,951	-\$5,573	-\$2,195	\$0	\$0	\$0
Value investment from realignment & efficiencies 	\$0	\$627	\$4,005	\$6,200	\$6,200	\$6,200
Total value investment	\$1,000	\$2,627	\$7,005	\$11,383	\$12,696	\$15,761
\$ Tuition increase per year (resident)		\$118	\$262	\$378	\$436	\$522

*estimated **CPI as of 12/31/2023 ***HEPI as of 6/30/2023

Student fees

Mandatory E&G fees

Mandatory fees for academic support services such as technology and the library

Mandatory non-E&G fees

Mandatory auxiliary fees for services and activities such as health services, student activities and athletics

Auxiliary fees

Fees for selected services such as parking, housing and dining

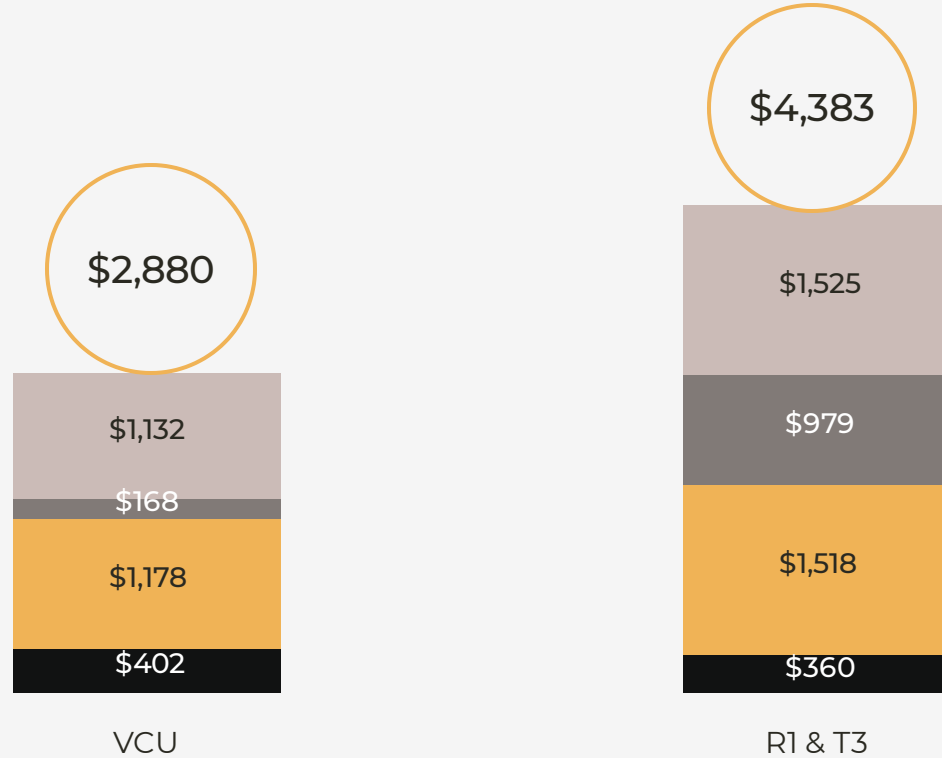
Program fees

Fees for specific majors and labs



FY24 mandatory undergraduate non-E&G fees

Virginia R1 and Tier III institutions



65.7%

VCU mandatory undergrad non-E&G fees are 65.7% of the average of other Virginia R1 and Tier III institutions.

- Intercollegiate athletics
- Telecom/parking/other
- Student union & recreation facilities/student health
- Recreational & intramural facilities

Proposed mandatory fee rates

Fee type	Proposed FY25 rates		
Mandatory E&G fees	\$ Increase	FY2025 rate	Increase %
Library fee	\$0	\$88	0%
Technology fee	\$0	\$315	0%
Academic support services fee	\$0	\$100	0%
Mandatory non-E&G fees			
Health service fee	\$0	\$246	0%
University fee	\$138	\$2,682	5.4%
Student activity fee	\$0	\$90	0%
Total resident fees	\$138	\$3,520	4.0%
Non-resident capital outlay E&G fee	\$0	\$690	\$0
Total non-resident fees	\$138	\$4,210	3.4%

Proposed **resident** undergraduate tuition & mandatory fee rates

Rate type	Proposed FY25 rates				
Tuition increase %	1.0%	2.0%	3.0%	3.3%	4.0%
Mandatory fee increase %	4.0%	4.0%	4.0%	4.0%	4.0%
Overall increase %	1.6%	2.5%	3.2%	3.5%	4.1%
Tuition-15 credit hours	\$12,968	\$13,112	\$13,228	\$13,286	\$13,372
Mandatory fees	\$3,520	\$3,520	\$3,520	\$3,520	\$3,520
Total tuition & fees	\$16,488	\$16,632	\$16,748	\$16,806	\$16,892
Tuition increase \$	\$118	\$262	\$378	\$436	\$522
Mandatory fee increase \$	\$137	\$137	\$137	\$137	\$137
Total increase \$	\$255	\$399	\$515	\$573	\$659
Increase per semester \$	\$128	\$200	\$258	\$287	\$330

Proposed **non-resident** undergrad tuition & mandatory fee rates

Rate type	Proposed FY25 rates				
Tuition increase %	1.0%	2.0%	3.0%	3.3%	4.0%
Mandatory fee increase %	3.4%	3.4%	3.4%	3.4%	3.4%
Overall increase %	1.3%	2.2%	3.1%	3.5%	4.1%
Tuition-15 credit hours	\$35,092	\$35,440	\$35,788	\$35,904	\$36,136
Mandatory fees	\$4,210	\$4,210	\$4,210	\$4,210	\$4,210
Total tuition & fees	\$39,302	\$39,650	\$39,998	\$40,114	\$40,346
Tuition increase \$	\$348	\$696	\$1,044	\$1,160	\$1,392
Mandatory fee increase \$	\$137	\$137	\$137	\$137	\$137
Total increase \$	\$485	\$833	\$1,181	\$1,297	\$1,529
Per semester \$	\$243	\$417	\$591	\$649	\$765

Auxiliary fees

Housing, dining & parking

- **Self-supporting**

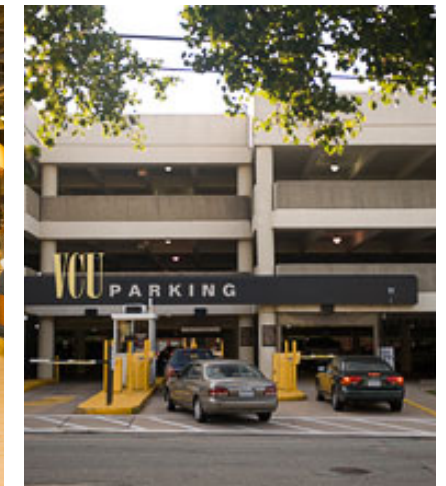
Auxiliary enterprises are self-supporting through the sale of goods or services. They do not receive any state funding.

- **Required reserves**

VCU Board of Visitors policy requires auxiliaries to be financially self-sufficient and to maintain operating reserves equivalent to three months of operating expenses.

- **Revenues cover all costs**

Revenues generated cover all costs, including personnel, utilities, custodial services, grounds keeping, maintenance, supplies, etc.



Proposed housing & dining rates

Housing type	Proposed FY25	\$ Increase	% Increase
Apt. single bedroom	\$10,013	\$655	7%
Apt. double bedroom	\$9,698	\$632	7%
Traditional single	\$9,464	\$617	7%
Traditional double	\$8,398	\$548	7%

- Compared to other Tier III Virginia schools, VCU falls in the median for the average 9-month housing rates.
- Compared to area apartment rates in downtown RVA, VCU housing rates are at least 2K per year lower. Private apartments also require utilities, WIFI and other additional costs that VCU housing does not charge.

Dining plan type	Proposed FY25	\$ Increase	% Increase
All access swipes	\$3,657	\$264	8%
250 swipes	\$3,240	\$240	8%
200 swipes	\$2,935	\$218	8%

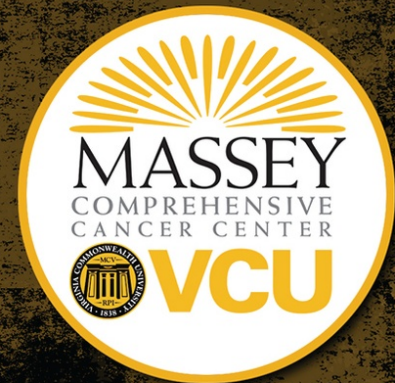
- VCU dining costs fall below the median among Virginia peer universities.

Proposed parking rates

Student rates	FY25 parking rate	\$ Change	% Change
Monroe Park Campus			
Student commuters - per semester	\$258	\$8	3%
Student residential - 6 months	\$444	\$12	3%
MCV Campus			
Student commuters - On-campus facilities	\$258	\$8	3%
Student commuters - Off-campus lots	\$203	\$6	3%
Summer permit rates			
Monthly	\$72	\$2	3%
Evening student permits			
All facilities - 3:30 p.m. to 2 a.m.	\$53	\$2	4%

Investing in the **UNSTOPPABLE**

Discussion



Aligning resources to drive VCU's success and value

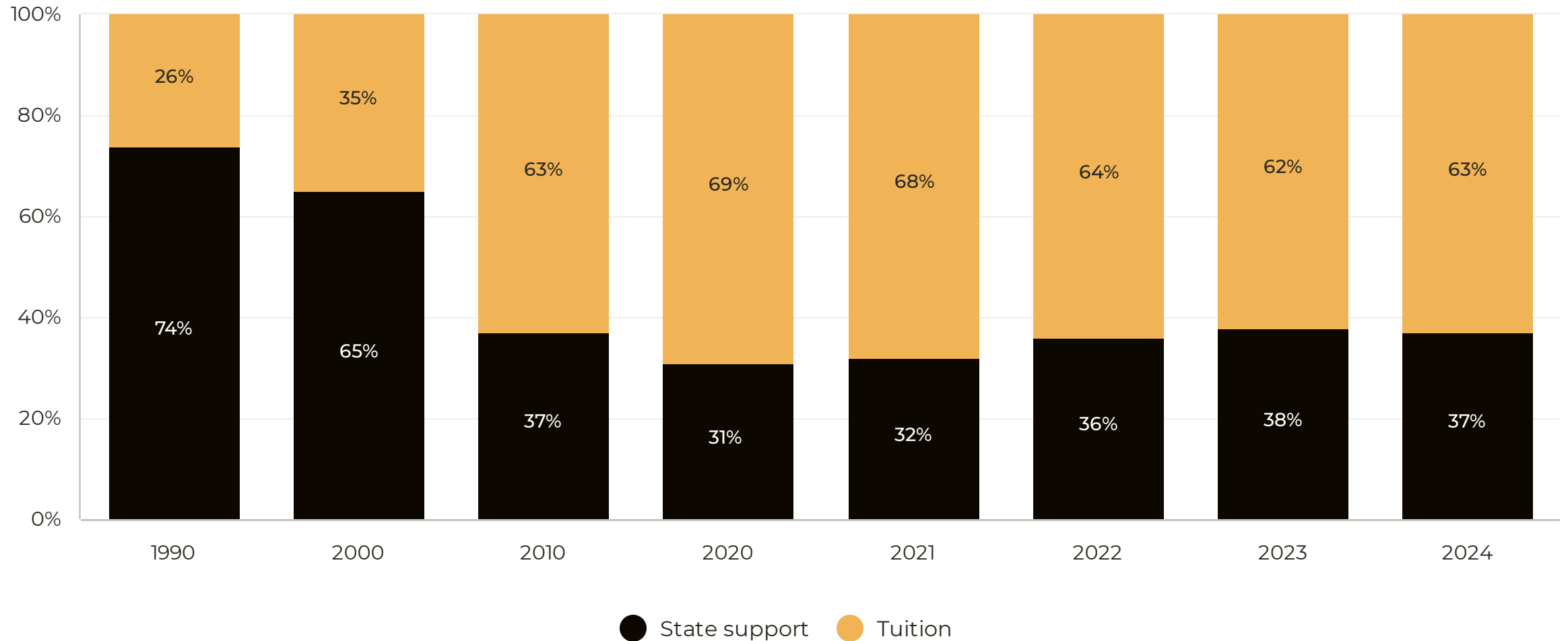
Appendix

2023-24 Budget sources & uses summary

(in thousands)

FY 2023-2024 Sources	Tuition, Fee, & State Funds E&G Programs	Grants and Contracts (Sponsored Programs)	Auxiliary Enterprises (Housing & Dining)	Qatar Hospital Univ. Funds	Student Financial Assistance	Total University
State General Fund						
Direct Appropriations	\$ 264,531	\$ 21,513	\$ -	\$ -	\$ 53,032	\$ 339,076
Central Transfers	-	-	-	-	-	-
State General Fund	\$ 264,531	\$ 21,513	\$ -	\$ -	\$ 53,032	\$ 339,076
Nongeneral Funds						
Student Tuition and Fees	444,804	-	65,053	\$ -	-	509,857
Grants and Contracts		333,105	-	-	34,105	367,210
Gifts and Investment Earnings	100	-	5,551	62,000	-	67,651
Sales and Services	6,483	-	91,932	95,488	-	193,903
Other Sources	2,446	-	150	10,267	-	12,863
Total Nongeneral Funds	453,833	333,105	162,686	\$ 167,755	34,105	1,151,484
Transfers in (out)	14,034	(14,034)	-	-	-	-
Total University Sources	\$ 732,398	\$ 340,584	\$ 162,686	\$ 167,755	\$ 87,137	\$ 1,490,560

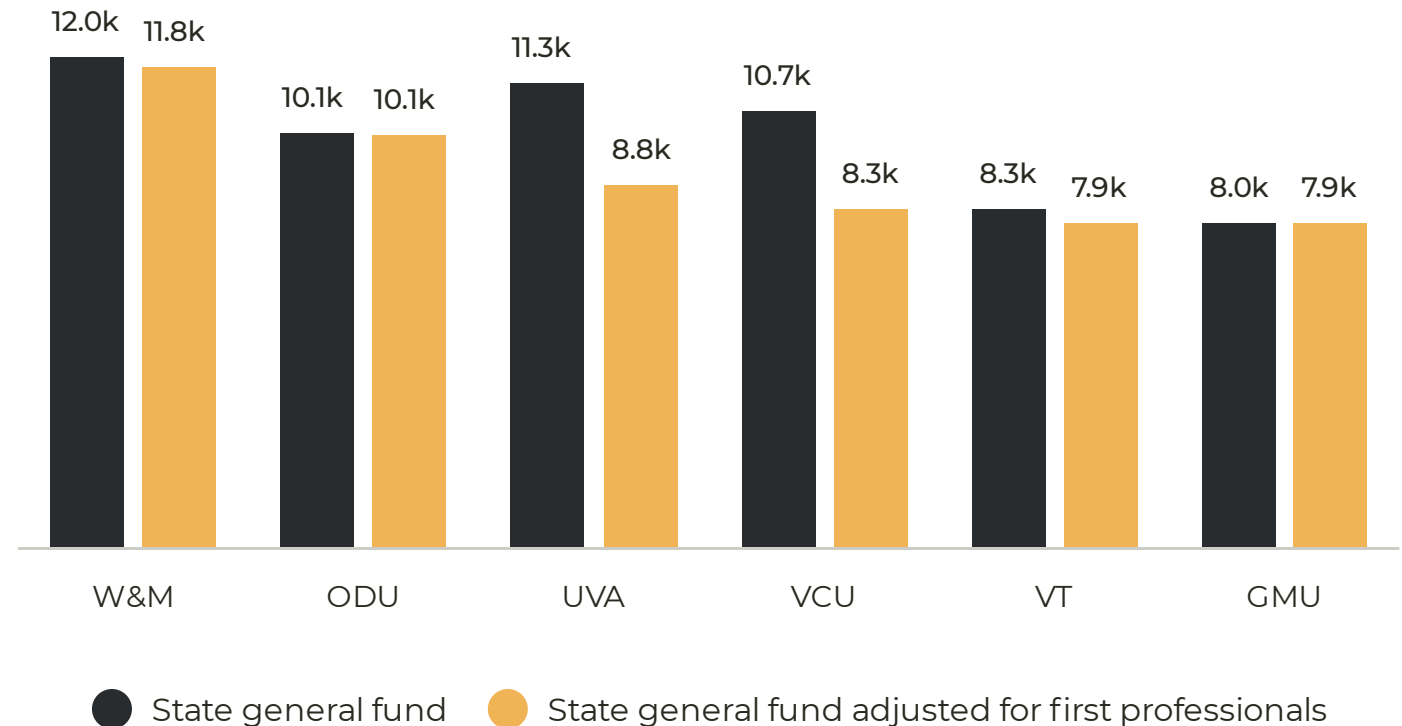
State support & tuition revenue trend



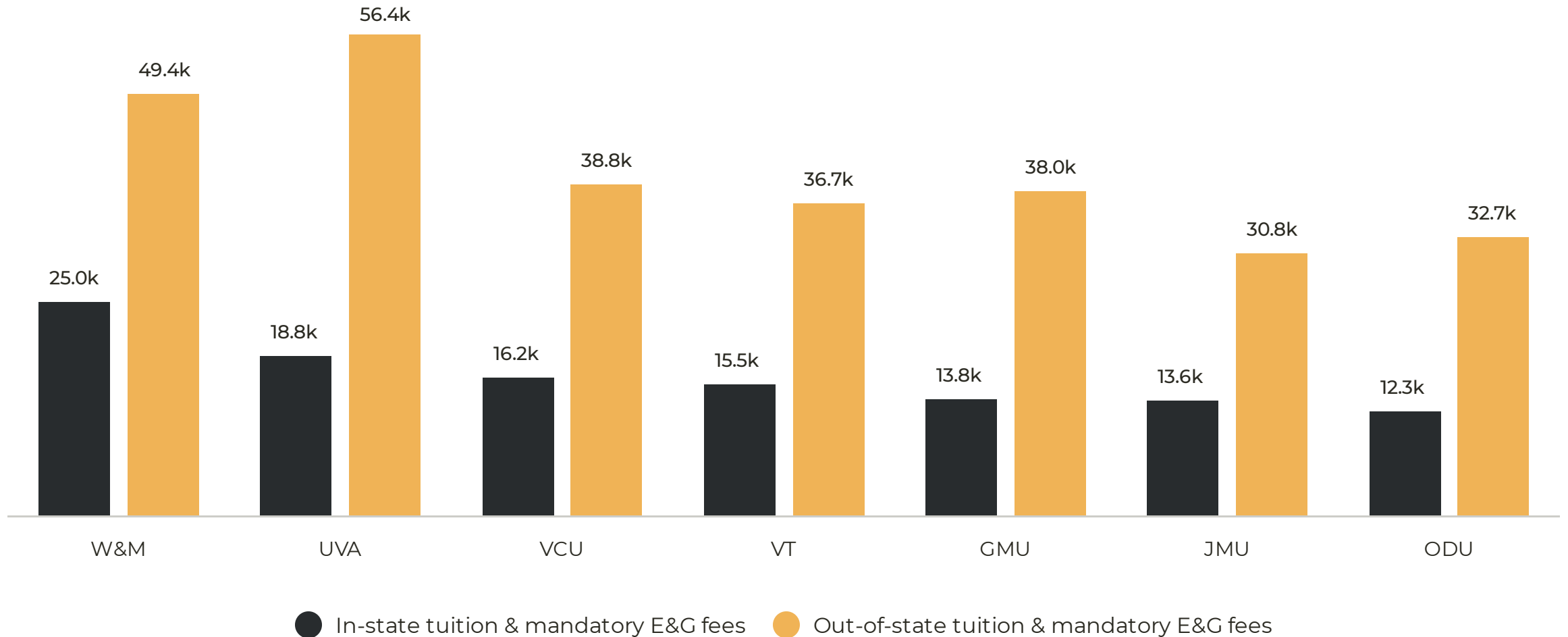
General fund support lags for higher cost academic programs

FY23 General fund support (raw vs. adjusted amounts)

- Amounts are adjusted for 1st professional programs and dedicated allocations, research and public service.
- The table presents an adjusted state budget for schools of Veterinary Medicine, Medicine, Pharmacy and Dentistry. Law Schools are excluded as they are often expected to be self-supported.
- Other first professional programs as defined by SCHEV are not included: chiropractic, osteopathic medicine (VT's program is a 501 c(3)), rabbinical and Talmudic studies, podiatry, divinity and ministry programs. Currently no other R-1s have these programs.



FY24 resident & non-resident tuition & mandatory fees



Proposed **resident** graduate tuition & mandatory fee rates

Graduate rates	Proposed FY25 rates				
Tuition increase %	1.0%	2.0%	3.0%	3.3%	4.0%
Mandatory fee increase %	4.1%	4.1%	4.1%	4.1%	4.1%
Overall increase %	1.4%	2.2%	3.0%	3.3%	3.8%
Master's tuition	\$13,538	\$13,672	\$13,806	\$13,846	\$13,940
Mandatory fees	\$3,486	\$3,486	\$3,486	\$3,486	\$3,486
Total tuition & fees	\$17,024	\$17,158	\$17,292	\$17,333	\$17,427
Doctoral tuition	\$11,161	\$11,271	\$11,382	\$11,415	\$11,492
Mandatory fees	\$3,486	\$3,486	\$3,486	\$3,486	\$3,486
Total tuition & fees	\$14,647	\$14,757	\$14,868	\$14,901	\$14,978

FY25 9-month room & board comparison rates (estimated)

	Traditional double	Traditional single	Double bedroom apt.	Single bedroom apt.	Lowest cost on-campus dining plan*	Total room & board (based on traditional double)
VT	\$6,524	\$9,608	N/A	N/A	\$5,226	\$11,750
GMU	\$8,270	\$11,020	\$11,270	\$14,010	\$5,550	\$13,820
VCU	\$8,398	\$9,464	\$9,698	\$10,013	\$5,434	\$13,832
ODU	\$7,869	\$9,671	\$12,070	\$12,249	\$5,998	\$13,867
UVA	\$7,880	\$8,570	\$8,490	\$9,540	\$6,320	\$14,200
W&M	\$9,312	\$10,139	\$9,811	\$10,728	\$5,770	\$15,082





*Dining prices represent the lowest cost dining plan option required for on-campus freshman.

12-month off-campus lease rates FY25

	Single 1	Single 2	Single 4	Monthly utilities
Ascend	\$19,116	\$14,515	\$12,182	Student pays electric and cable
8 1/2 Canal Street	\$19,367	\$13,124	\$11,433	Student pays electric beyond \$40 cap per person
1200 West Marshall	\$18,275	\$13,793	\$12,316	Student pays electric beyond \$40 cap per person
Ramz Apartments	\$16,801	\$11,539	N/A	Student pays electric beyond \$40 cap per person
The James	\$16,675	\$11,888	\$9,948	Student pays electric beyond \$25 cap per person
VCU	\$14,222	\$12,727	\$10,716	All included

Grow value investment

**CPI: 3.3%
***HEPI: 4%

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Value investment from realignment & efficiencies 	\$0	\$627	\$2,316	\$4,005	\$6,200	\$6,200	\$6,200	\$6,200
Total value investment	\$1,000	\$2,627	\$4,816	\$7,005	\$9,194	\$11,383	\$13,572	\$15,761
\$ Tuition increase per year (resident)		\$118	\$204	\$262	\$320	\$378	\$464	\$522

*estimated **CPI as of 12/31/2023 ***HEPI as of 6/30/2023

Mandatory fee descriptions



Mandatory E&G fees

- **Library fee:** Used to sustain library spaces, services, personnel and operations that advance student success across both campuses and online.
- **Technology fee:** Supports university-wide technological initiatives.
- **Academic support services fee:** Supports tutors, supplemental instruction leaders, writing consultants, and overall academic support for students.
- **Capital outlay fee:** This is a non-resident, on-campus fee charged as required by the State Appropriation Act, used to reimburse the Virginia College Building Authority and the State Treasury Board.

Mandatory non-E&G fees

- **University fee (U-Fee):** Supports recreational sports facilities, university student commons, campus development, career counseling centers, student disability and student services center, intercollegiate athletics and other programs.
- **Activity fee:** Supports educational, social, cultural and other student activities.
- **Health fee:** Covers unlimited visits to University Student Health Services, after hours phone advice for urgent medical issues, and most laboratory tests. This fee does not cover accidental injury, emergency room visits or hospitalization.

Military waiver increases

2017 to 2024 (est.)

