



**Budget Outlook
and
Proposed
2012-13 Tuition & Fees**

Virginia Commonwealth University
Board of Visitors
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May 10, 2012

Outline

- VCU's Finances – Legal Requirements
- VCU's FY13 Operating Budget – Factors and Outlook
- FY13 - Looking Ahead
- Tuition & Fees – Recommendations

VCU's Finances: Legal Requirements

Board of Visitor Bylaws – § 3.02(d)(2)(3)(5)(8) Duties

- The Finance, Investment and Property Committee shall oversee policies involved in University financial, investment, and debt management and facilities planning, construction and renovation, physical plant, and equipment and shall make recommendations on matters relating to these areas to the Board
- In addition to the special responsibilities that the Board may, from time to time, assign to the Committee, the Committee shall have the following specific responsibilities:
 - Review financial assumptions upon which budgets are based
 - Review the six-year financial plan and operating budget

Board of Visitor Bylaws – § 3.02(d)(2)(3)(5)(8) Duties

- Review tuition and fee charges
- Serve as an investment committee and oversee University investment policies and activities including direct management of the University's cash investment pool and monitoring of the policies and activities of the University-related private foundations.

Commonwealth of Virginia – § 55-268 Uniform Prudent Management of Institutional Funds (UPMIFA) Act

- UPMIFA applies to the investment of endowment funds, but also provides a framework for an institution's investment of operating funds:
 - A. An institution, in managing and investing an institutional fund, shall consider the . . . purposes of the institution. . .
 1. In managing and investing an institutional fund, the following factors, if relevant, shall be considered:
 - a. General economic conditions;
 - . . .
 - d. The role that each investment or course of action plays within the overall . . . portfolio of the fund;

Commonwealth of Virginia – § 55-268.11 Uniform Prudent Management of Institutional Funds (UPMIFA) Act

e. The expected total return from income and the appreciation of investments;

...

h. An asset's special relationship or special value, if any, to the . . . purposes of the institution

2. Management and investment decisions about an individual asset shall be made not in isolation but rather in the context of the institutional fund's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the fund and to the institution.

Commonwealth of Virginia – § 23-38.87:10 Virginia Higher Education Opportunity Act of 2011

- By July 1 of each odd-numbered year, the governing board shall adopt a six-year plan and submit that plan to the Commonwealth
- By July 1 of each even-numbered year the governing board shall submit an affirmation of, or amendments to, the plan to the Commonwealth
 - Or at any other time permitted by the Governor or General Assembly – timing is being delayed in 2012
- The Commonwealth shall review each institution's plan or amendments and provide comments by September 1.
- The institution shall respond by October 1

Commonwealth of Virginia – § 23-38.87:10 Virginia Higher Education Opportunity Act of 2011

- Each plan shall address the institution's academic, financial, and enrollment plans, including the number of Virginia and out-of-state students, for the six-year period and shall include:
 - Financial planning reflecting the institution's anticipated level of general fund, tuition, and other nongeneral fund support for each year of the next biennium
 - The plan also has to include the anticipated annual tuition and E&G fee charges required by: (i) degree level, and (ii) domiciliary status and shall indicate the planned use of any projected increase in general fund, tuition, or other ngf revenues

Factors Defining VCU's FY 2013 Operating Budget Outlook

Factors Defining VCU's FY 2013 Operating Budget Outlook

- State Funding – Governor and General Assembly have recommended a partial restoration of funds for VCU, following successive support reductions since FY 2008
 - \$8.4M in new operating funds are included in the adopted budget
- VCU's financial reality is shaped by the past – VCU serves the largest number of in-state students – when state support for in-state students has been cut VCU has been hit hardest among its peers
 - Over time this has eroded state funding for VCU more than other institutions
 - The State Council for Higher Education (SCHEV) calculated VCU's funding level at 87% of "base adequacy" for FY 2012 (\$67.8M)

Factors Defining VCU's FY 2013 Operating Budget Outlook

- Strategic Plan – Our *Quest for Distinction*/Six-Year Plan
 - Required Six-Year Plan
 - Modeled after VCU's *Quest for Distinction*
 - FY 2013 budget recommendations guided by *Quest*
- Fiduciary responsibility to VCU's students and families
 - A trust relationship balancing competing objectives

State Funding – For FY2013, a partial restoration

- The Commonwealth's adopted 2013/2014 biennial budget recommends the following increases in operating funds for FY2013

(\$ in millions)

Base Operations	\$3.6
Enrollment Growth	2.9
Incentive/Initiative	1.2
Other	<u>0.7</u>
Total	\$8.4

- It also includes:
 - \$1.5M in new funding for Massey Cancer Center
 - \$960,003 for undergraduate financial aid
 - \$1.3M additional from Higher Education Equipment Trust for research equipment
 - Contingent authorization for a 3% faculty/staff bonus (Nov. 30/Dec.1, 2012) with the potential of VCU having to pay 100% of the cost

VCU's financial reality – Between FY2011 and FY2012, VCU lost \$41.0M in state support and federal stimulus funding

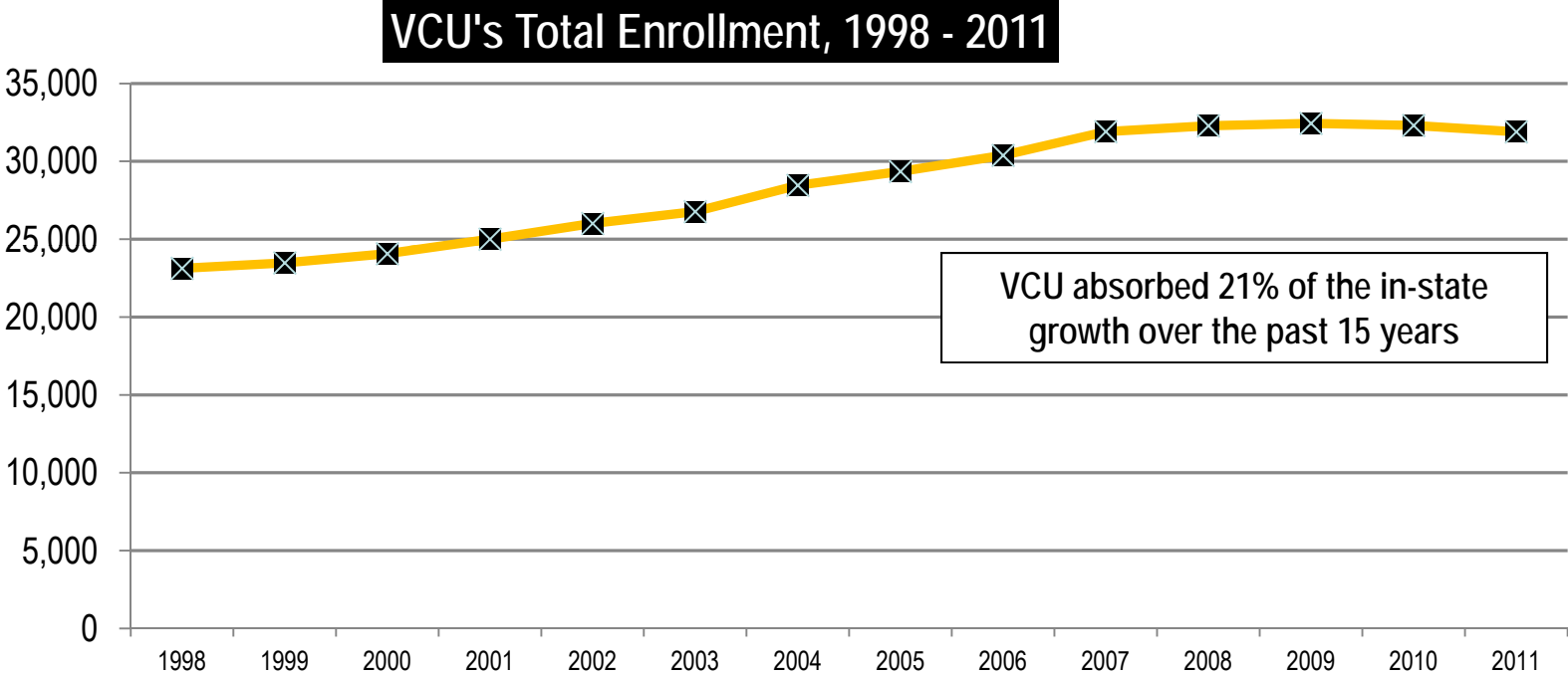
- By FY2012, state E&G operating support had been reduced by a **net** of \$63.5M since FY2008 – about 31%

<u>Fiscal Year</u>	<u>State E&G Support</u>	<u>Federal Stimulus</u>	<u>Total</u>	<u>Diff. From FY 2011</u>
FY 2008 (orig. + Cent. Accts.)	\$205,683	\$0	\$205,683	
FY 2008 (amended)	196,010	0	196,010	
FY 2009	190,430	0	190,430	
FY 2010	162,154	13,799	175,953	
FY 2011	159,652	23,572	183,224	
FY 2012	142,212	0	142,212	(\$41,012)

- Between FY11 and FY12 state funding per in-state student dropped from \$6,556 to \$5,898

VCU's financial reality - VCU enrolls the largest number of in-state students (27,244 FTE)

Among VA four-year public institutions VCU accounts for 15% of the total enrollment



Total Enrollment for Virginia's 4-Year Institutions, 2011

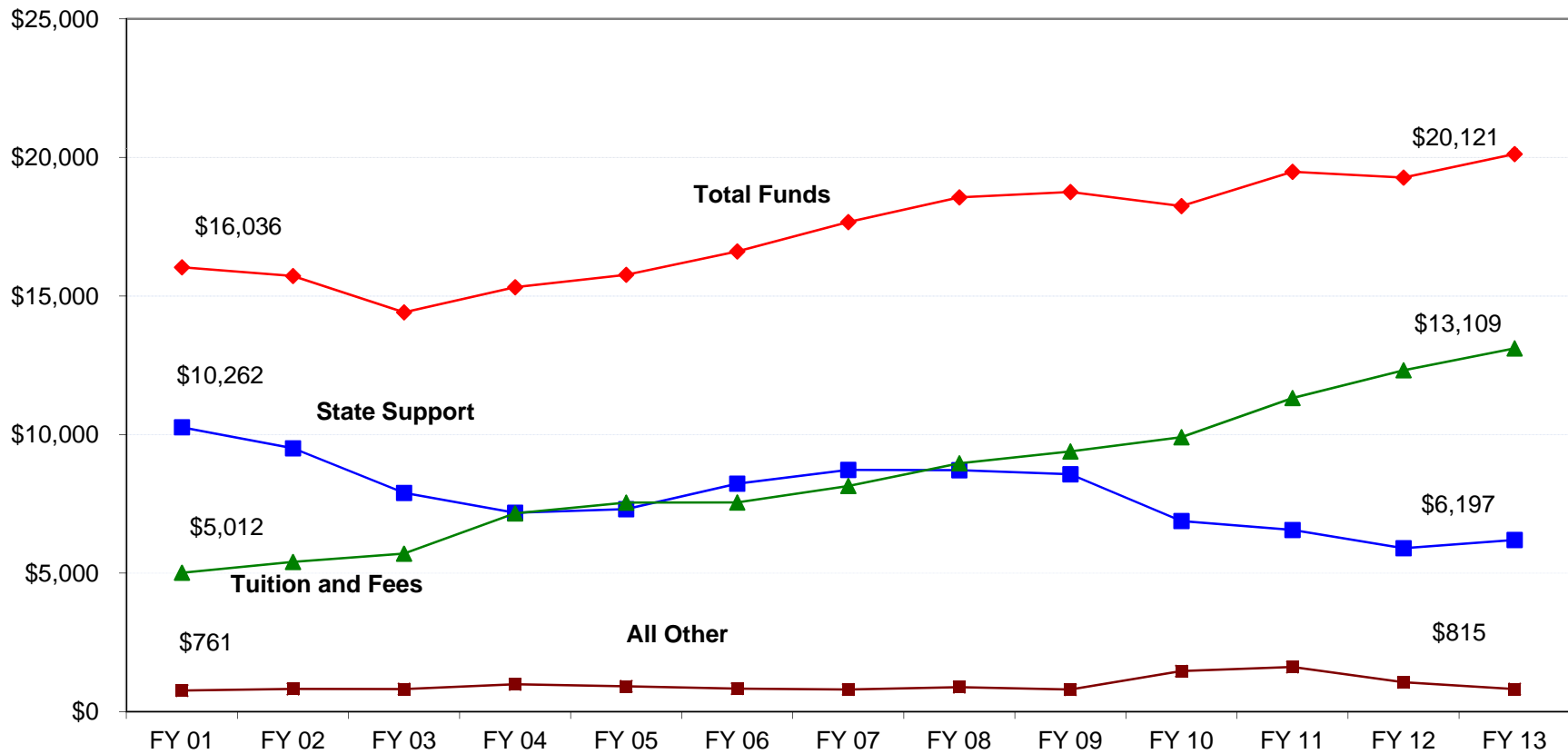
GMU	VCU	VT	ODU	UVA	JMU	RU	W&M	NSU	VSU	UMW	CNU	LU	UVA-W	VMI
32,320	31,899	30,936	24,753	24,297	19,722	9,370	8,200	7,091	5,890	5,170	4,990	4,860	2,067	1,605

VCU's financial reality has been shaped, in large part, by our tradition of serving the largest number of in-state students in the Commonwealth

- Because VCU serves the largest number of in-state students, VCU became heavily reliant on state support
 - The Commonwealth pays a portion of the instructional cost of in-state undergraduates, leaving the remainder to students and families
- When the state cuts budgets, it creates problems for VCU as that portion of funding covered by the state is reduced for every in-state student
 - State cuts for all institutions are based on state support only
 - Thus, VCU's cuts are consistently larger than other 4-year institutions

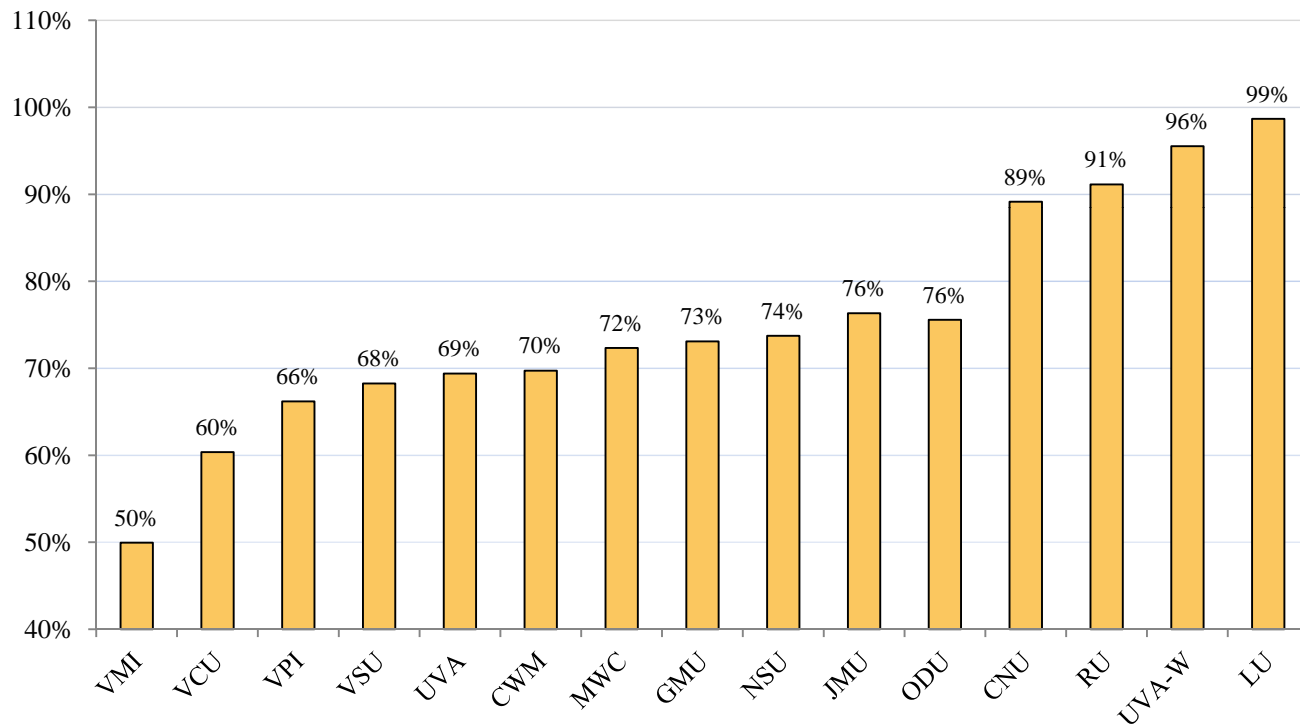
State funding for VCU over the past decade showed this clear shift in cost from state to students

E&G Funds per Full Time Equivalent In-State Student



Between FY2001 and FY2013, VCU will have been cut \$4,065 per in-state student

State Support per Virginia Student in FY 2013 for VCU stands at 60% of FY 2001 levels



Source for next two graphs: SCHEV data, updated for actions of the 2012 General Assembly, based on projections of FY 2012 enrollment.

State GF support for VCU's in-state students has dropped relative to other institutions

Relative State Funding Support Per In-State Student

	<u>FY 2001</u>	<u>FY 2006</u>	<u>FY 2012</u>	<u>FY 2013</u>
VMI	1 (\$14,265)	2	6	5
UVA	2	3	1	1 (\$8,334)
CWM	3	4	4	4
VCU	4 (\$10,211)	7	8	8 (\$6,272)
VSU	5	5	5	6
NSU	6	1	3	3
Tech	7	6	7	7
UVA-W	8	8	2	2
GMU	9	10	9	11
ODU	10	9	10	10
MWC	11	14	14	12
JMU	12	13	15	15 (\$4,713)
LU	13	12	11	9
CNU	14	11	12	14
RU	15 (\$5,433)	15	13	13

Source: SCHEV data, updated for actions of the 2012 General Assembly, based on projections of FY 2012 enrollment. FY 2013 based on Conference Committee Report on HB 1301, 2012 Special Session I.

- VCU's students were the 4th highest funded students in FY2001
- In FY2013 they rank 8th in funding, despite high cost majors at undergraduate level and first professional programs - Biology, Engineering, Arts, Nursing, Medicine, Dentistry



Predominantly serving Virginians creates particular funding challenges for VCU

- Most institutions charge non-residents more than 100% of the cost of instruction
 - Revenue from non-residents effectively insulates certain institutions from state budget cuts

Projected Non-resident Enrollment and Tuition Revenue, FY 2012

	% Non-resident Undergrads	% of Undergraduate Tuition from Non-Resident Undergrads	% of Total Tuition from Non-Resident Undergrads
JMU	27.4%	60.0%	53.8%
W&M	33.4%	65.7%	56.8%
VT	26.4%	45.5%	39.2%
UVA	32.8%	64.5%	48.5%
GMU	14.0%	34.2%	25.0%
ODU	8.5%	16.7%	13.5%
VCU	10.3%	20.1%	16.1%

Source: SCHEV. Fall 2011 Headcount Enrollment. SCHEV NGF Survey, May 2011.
 Excludes revenue from First professionals, Unused tuition, Other.
 Percentages reflect estimates provided by institutions for SCHEV NGF Survey, May 2011. Some estimates may have changed based on submitted Six-Year Plans.

VCU's financial situation resulted in increasingly serious resource constraints. Constraints showed up in:

- Faculty Salary levels (losing ground to other institutions);
- Steady declines in the percentage of tenure-track faculty;
- Rising student-faculty ratios;
- Declining staff-student ratios for support employees;
- Low numbers of graduate assistantships and stipends for doctoral students; and
- Numerous other deficiencies

Faculty salaries at VCU are low and have lost ground, compared to other Virginia research universities and national peers

Virginia peers (Fall 2011):

Doctoral Institutions	Professor	Associate	Assistant	Instructor	All Ranks	Compared to VCU	
						1999	2011
University of Virginia	\$ 141.6	\$ 95.0	\$ 80.3	\$ 50.5	\$ 110.9	\$ 11.1	\$ 30.8
William and Mary	117.6	87.0	68.5	46.1	92.0	2.4	11.9
George Mason	130.9	85.4	71.0	59.0	93.0	1.9	12.9
Virginia Tech	121.7	84.4	73.3	46.8	89.1	(1.3)	9.0
VCU	118.6	79.9	68.8	48.2	80.1	n/a	n/a
Old Dominion	107.0	76.8	66.5	51.1	76.7	(8.5)	(3.4)
Va. Peer Group mean	\$ 123.8	\$ 85.7	\$ 71.9	\$ 50.7	\$ 92.3		
Difference from mean	\$ (5.2)	\$ (5.8)	\$ (3.1)	\$ (2.5)	\$ (12.2)		

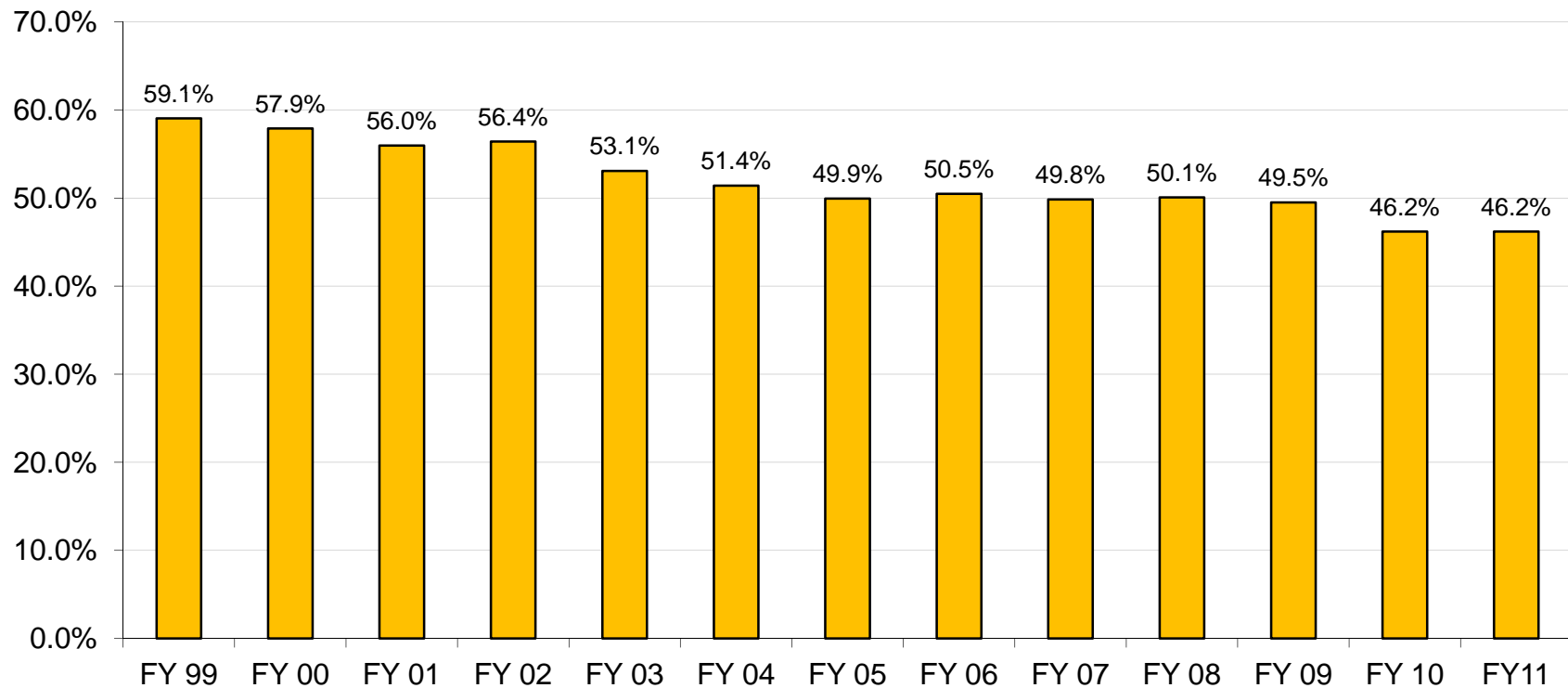
- National Peers: SCHEV estimates that VCU faculty salaries in FY12 lie at the 27th percentile among its 25 national peers – requiring a 7.3% increase in each of the next two years to achieve the 60th percentile goal set by the state

Source for Virginia data: Office of Planning & Decision Support
 Source for National Data: SCHEV, October, 2011 Agenda materials



The proportion of tenure and tenure-track faculty steadily declined as enrollment increased and resources became more constrained

Tenured and Tenure-track Faculty as a Percent of All Full-time Faculty, FY 99 – FY 11



Source: Office of Planning & Decision Support



To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Instruction
 - Faculty early retirement incentives to shift resources to high need programs
 - Faculty workload and productivity data to balance workload, and allocate reductions
 - Utilizing Blackboard to house homework, timed quizzes, and tests; and, post course materials
 - Increased the number of courses taught on-line
- Student Advising
 - Consolidated services for first year students into one unit, improving service to the students
 - Centralized review of transcripts and other services for transfer students

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Academic Support
 - Block schedules for undergraduate, 3-credit hour courses
 - Centralized scheduling of classrooms to maximize space utilization
 - Recaptured several rooms used as lounges or labs and turned them into large classrooms -- consolidating smaller class sections
 - Expanded Friday night and Saturday classes and changed course mix to include required lower-level courses
- Libraries
 - Partnered with other institutions to purchase/share journals
 - Installed self-service circulation checkout stations
 - Implemented on-line renewal systems for books
 - Made additional room for students by installing compact shelving, purchasing digital editions of books and journals, adding newer furniture designed to seat more students

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- **Research**
 - Redirected state equipment funding to shared core laboratories
 - Implemented on-line system for faculty award submissions
 - Continuously teach faculty how to effectively use the new system's resources
 - Developed on-line training on grant compliance for faculty principal investigators and administrators

- **Undergraduate Admissions**
 - Combined mailings to reduce mail volume
 - On-line admissions application

- **Records & Registration**
 - On-line course schedules and class rosters
 - On-line graduation application
 - Early alert grade notification
 - Banner on-line grading

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Enrollment Services
 - Document imaging
 - Web-based access to student information
 - One-stop student services venue

- Financial Aid
 - Electronic delivery of alternative funds

- Student Accounting
 - Redesigned refund process
 - On-line billing and payment

- University Student Health Services
 - Electronic health records

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Residential Life & Housing
 - On-line payment system
 - On-line student housing selection and registration system

- University Student Commons & Activities
 - Web-based reservation system
 - Web-based time keeping system

- Business Services
 - Invoice imaging: invoices are imaged and electronically linked to the University's financial system
 - Integration of procurement and financial systems
 - Cooperative procurement contracting (VCU and 8 other institutions)
 - Systematic review of University's vendor purchases
 - Contract templates for common contracts

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Business Services
 - Employee training through web-based systems
 - Textbook rentals
 - “Ghost Card” implementation for vendors
 - Outsourced check-writing for A/P payments

- Facilities Management
 - Design assist (mechanical/electrical contractors on board at start)
 - Building information modeling (building system modeling during design)
 - Laser mapping of building utilities
 - Facilities design standards
 - LEED silver standard for building construction
 - Construction manager at risk program
 - Purchase of natural gas supplies in the futures market

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Facilities Management
 - Solar photovoltaic hot water systems for dining hall
 - Photovoltaic power for parking deck lighting
 - Commissioning of mechanical systems
 - Pre-qualified contractors and material testing firms
 - Benchmarking facilities management against peer institutions
 - Benchmarking sustainability program
 - Integrated Central Mechanical Electrical (CME) Group
 - Zone-Based organization of physical plant crews
 - Work order tracking and management system
 - Just In Time (JIT) purchasing of supplies
 - Computerized bar code system for fire protection systems
 - Consolidation of hazardous material storage
 - Composting of all organic waste

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Human Resources
 - Single semi-monthly pay cycle
 - Automated ePAF processes
 - PeopleAdmin (paperless position description and recruitment/application processing)
 - HireRight (on-line background checks initiated by department personnel administrators for new hires)
 - Document imaging (paperless piles and processing using imaged documents)
 - eW2 (paperless tax forms)
 - Pay cards for those who will not use direct deposit
 - On-line HR training and orientations
 - Automated leave processes

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Technology Services
 - Outsourced student email
 - Call queue monitors at help desk
 - Videoconferencing
 - Remote monitoring of classroom technology
 - Centralized desktop and server system for security, operating systems and applications management
 - Central management of web-based content
 - Server virtualization
 - Storage Area Network (SAN): central management of data and storage

To deal with resource constraints, operations are regularly evaluated and efficiencies implemented:

- Technology Services
 - Storage Area Network (SAN): central management of data and storage
 - Centralized network management of 2,000 network devices from a central console
 - "Tech Squad" of students to improve classroom technology support
 - Laptop checkout program
 - Virginia virtual computing lab (with GMU, JMU and W&M)
 - Site license management processes
 - Mobile apps for handheld devices (e.g., courses, maps, calendar, GPS)

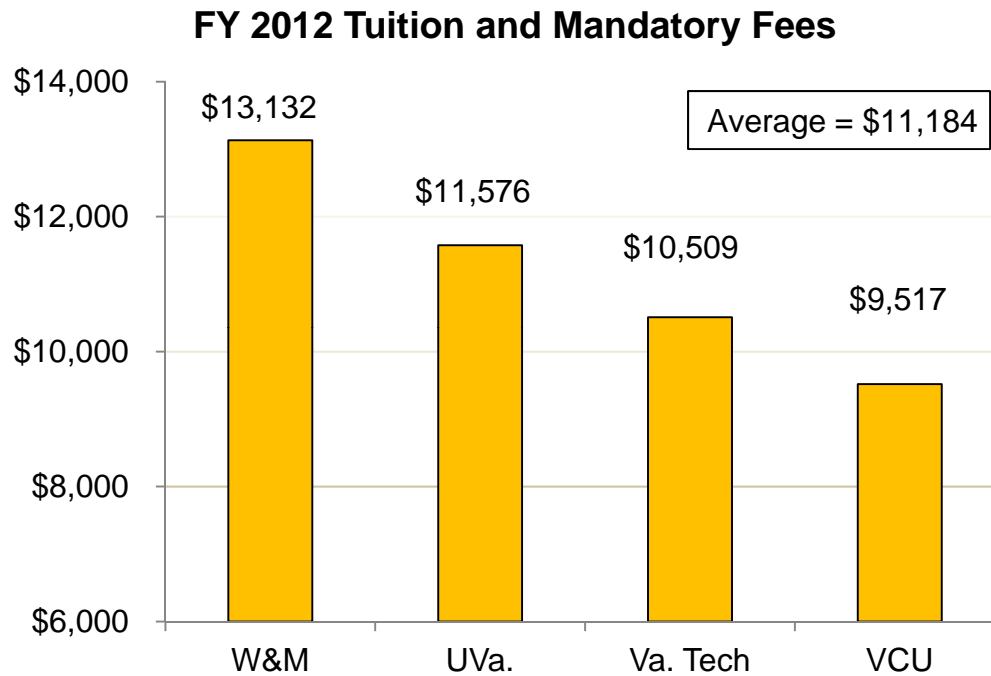
For resident undergraduates, tuition and fees at VCU continue to be low compared to other Virginia institutions

	<u>FY 2011 Tuition & Fees</u>	<u>FY 2012 Tuition & Fees</u>
W&M	\$12,188	\$13,132
VMI	12,328	13,184
UVa.	10,628	11,576
LU	9,855	10,530
Va. Tech	9,459	10,509
CNU	9,250	10,084
VCU	8,817	9,517
GMU	8,684	9,266
UMW	7,862	8,806
JMU	7,860	8,448
RU	7,694	8,320
ODU	7,708	8,144
UVa-Wise	7,194	7,721
VSU	6,570	7,090
NSU	6,227	6,690

Source: FY 2012 Total Tuition and Fees from SCHEV Tuition & Fee Report

- For resident undergraduates, VCU's FY2012 tuition and fees charged are 7th among the 15 four-year institutions – slightly below average (\$9,534)

VCU is particularly low compared to the other Tier III institutions



What a 1% Increase In T&F Costs Students

William & Mary	\$ 131.32
University of Virginia	\$ 115.76
Virginia Tech	\$ 105.09
Virginia Commonwealth University	\$ 95.17

Despite the financial challenges, VCU is an institution energized by its strategic plan – our *Quest for Distinction*

- The Six-Year plan submitted to the Commonwealth last October stated that VCU's top priority was:
 - Graduating more students ready to contribute to the workforce of tomorrow
- VCU told the state we were committed to advancing knowledge and student success – a dual commitment exceptional among research universities
 - *Quest* sets the stage for VCU to become one of the nation's premier urban, public research universities
 - *Quest* is guiding all budget considerations and tuition recommendations

VCU's (*Quest*) Strategic Priorities in the Six-Year Plan

- A focus on academic quality and student success – retain more of our students and graduate them in a timely manner
- A commitment to a high quality learning experience for our students that will engage them in learning, growing, and graduating with degrees that will position them for the top jobs in the Commonwealth
- A mandate for translational research that makes a difference – research that advances new ideas, new discoveries, and new businesses to grow the state's workforce and economic vitality

VCU's Top Funding Requests to the State in the Six-Year Plan

- An increase in the number of full-time faculty and staff to recruit the best and brightest faculty and staff to advance the vision
- An increase in faculty salaries to the 60th percentile of our national peers and/or comparable to the Commonwealth's research universities
- An increase in square footage and enhanced technology for instruction and research – building an infrastructure capable of supporting VCU's priorities and meeting the Commonwealth's workforce demands
- An increase in need-based financial aid to support qualified students who are most at risk

Assumptions in VCU's Six-Year Plan

- To achieve the goals set forth in *Quest*, the Six-Year Plan adopted by the Board and submitted to the State in 2011 assumed:
 - An increase in support from the Commonwealth of approximately \$11.9M in FY2013
 - A 9.5% increase in resident undergraduate tuition in FY2013
- A caveat noted that all tuition assumptions were for planning purposes only
 - The Board of Visitors was not bound by any assumptions

Response to VCU's Six-Year Plan

- The Governor recommended, and the General Assembly endorsed, additional funding in support of VCU's Six-Year Plan
 - Specific language is included in the budget bill directing that the funds be used as follows:
 - \$3.6M for base operating support;
 - \$2.9M to address the projected growth in transfer students and efforts to improve retention and graduation through the University College initiative and enhanced advising; and

Response to VCU's Six-Year Plan

- The Governor recommended, and the General Assembly endorsed, additional funding in support of VCU's Six-Year Plan
 - \$0.7M to implement development of the summer session as a “third semester to reduce time to degree, expansion of undergraduate research opportunities, expansion of health career opportunities through enhanced advising of pre-health and STEM majors, and the advancement of newly established degree programs in the Center for Clinical and Translational Research

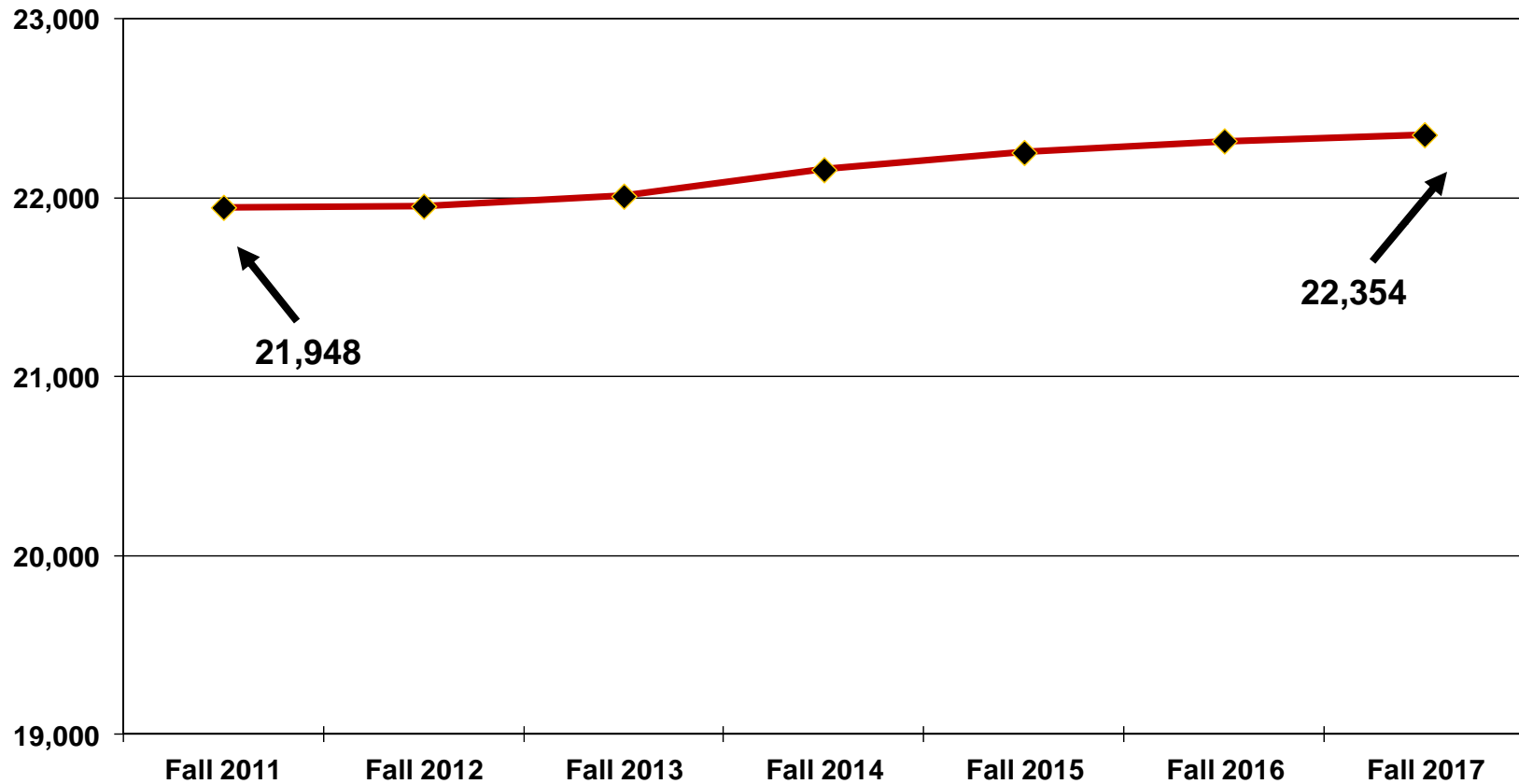
VCU's Fiduciary Responsibilities – Competing objectives that have to be balanced

- Sustaining and improving instructional quality, and
 - Strengthening research capacity and productivity, and
 - Graduating more students ready for the workforce,
- while
- Maintaining affordability and access

Looking Ahead to FY 2013

VCU's emphasis on growth over the last six years has shifted to a more focused attention on managing enrollment to ensure quality

Projected Undergraduate Enrollment through Fall 2017



Source: Office of Planning and Decision Support: *Updated February 2012



FY2013 enrollment reflects commitment to academic programs . . .

Headcount	Actual Fall 2011			Projected Fall 2012			Change Fall 2011 to 2012		
	Resident	Nonresident	Total	Resident	Nonresident	Total	Resident	Nonresident	Total
On-Campus									
Undergraduate	19,867	2,081	21,948	19,818	2,137	21,955	(49)	56	7
Non-degree Undergraduate	751	346	1,097	750	300	1,050	(1)	(46)	(47)
Graduate - Masters and Post-Master's Certificate	2,668	882	3,550	2,659	877	3,536	(9)	(5)	(14)
Graduate - Doctoral	833	631	1,464	832	631	1,463	(1)	-	(1)
Non-degree Graduate	426	72	498	403	88	491	(23)	16	(7)
First Professional	1,159	532	1,691	1,184	516	1,700	25	(16)	9
Total On-Campus	25,704	4,544	30,248	25,646	4,549	30,195	(58)	5	(53)
Off-Campus	1,541	110	1,651	1,541	103	1,644	-	(7)	(7)
Total Headcount	27,245	4,654	31,899	27,187	4,652	31,839	(58)	(2)	(60)
Annual FTE *	24,355	4,564	28,919	24,303	4,562	28,865	(52)	(2)	(54)
First-Time Freshmen	3,281	522	3,803	3,135	515	3,650	(146)	(7)	(153)
Transfer Students	2,006	138	2,144	2,002	130	2,132	(4)	(8)	(12)

*Annual FTE for 2011-12 and 2012-13 are estimates and based on revised enrollment projections approved in February 2012

- Focus on efforts to improve student retention and timely graduation and limiting freshman class sizes to a number we can support within faculty resources

For FY2013, VCU faces a more positive financial situation than in recent years – with about \$7.7M after “unavoidable” costs

Central E & G Sources of Funding

(\$ in millions)

	<u>FY 2012</u>	<u>FY 2013</u>
State General Fund E&G Support	\$142,212	\$150,550
Federal Stimulus	7,773	0
E&G Tuition prior to rate changes *	<u>308,011</u>	<u>321,784</u>
Total	\$457,996	\$472,334
Difference in Revenues compared to FY 2012		<u>\$14,338</u>

* Increased tuition revenues prior to rate changes due to enrollment changes, increased summer participation and lower than projected bad debt

Unavoidable Cost Increases

	<u>FY 2013</u>
Increased costs in personnel, fringe benefits, and faculty promotions	1,468
O&M of new buildings, increased maintenance & service contracts, increased utility costs, rent savings	922
Cost of meeting current enrollment demands for core course offerings	1,013
Required spending in research areas, including newly established NIH salary cap	927
Third co-hort of Monroe Park and Health Sciences Diversity merit scholarships	620
Staffing Office of the VP for Diversity	562
Inflation in library periodicals and related materials	536
Programming costs of ASPIRE	500
Americans with Disabilities Act compliance	<u>73</u>
Total	6,620



What is needed to move forward with *Quest for Distinction*?

- State funding and increased revenue from enrollment changes allow VCU to meet all of our “unavoidable costs” and leaves roughly \$7.7M to begin to address some of our strategic priorities
- High priority needs are significant, due to VCU’s chronically low funding:
 - An estimated \$6.9M for new faculty and graduate assistantships that should be hired in FY2013
 - An estimated \$3.4M for key components of Quest, including:
 - West Grace Street Learning-Living North Village
 - Increased work with VCCS transfer students
 - Development of summer session
 - Enhanced student advising

What is needed to move forward with *Quest for Distinction*?

- Other immediate needs include:
 - Approximately \$2.9M in additional funding for research staffing and improvements
 - Roughly \$3.0M in basic IT, financial, safety, and compliance personnel and infrastructure to support the institutional mission (e.g., 10 new police officers)

Tuition & Fees Recommendations

Tuition and Fees Recommendations for FY2013

- Adopt tuition and fees to support commitments in *Quest and Six-Year Plan* for:
 - Funding focused on academic quality and student success, including intensive advising and engaged learning experiences to enhance retention and graduation rates
 - Funding to support VCU's influence in research, scholarship, and creative expression across the institution through infrastructure, student development, and a focus on translational research
 - Funding to enhance VCU's investments in attracting and supporting students from VCCS institutions
- While remaining sensitive to financial realities our students and families face and government pressure to maintain low increases in tuition and fees

Tuition and Fees Recommendations for FY 2013

- Adopt combined tuition and mandatory fees increases of:

3.87%	Virginia Undergraduates
4.20%	Nonresident Undergraduates
3.95%	Resident Masters level students
4.19%	Nonresident Masters level students
3.88%	Resident Doctoral students and
4.17%	Nonresident Doctoral students
2.55%	Resident Medicine
2.74%	Nonresident Medicine
9.40%	Resident Dentistry
6.39%	Nonresident Dentistry
3.70%	Resident Pharmacy
3.82%	Nonresident Pharmacy

Tuition and Fees Recommendations for FY 2013

Resident				Nonresident			
2011-12	2012-13	\$ Chg.	% Chg.	2011-12	2012-13	\$ Chg.	% Chg.

In Private Housing

Monroe Park Campus

Tuition	\$7,532.00	\$7,860.00	\$328.00		\$20,388.00	\$21,275.00	\$ 887.00	
University Fee	1,637.00	1,657.46	20.46		1,637.00	1,657.46	20.46	
Technology Fee	68.00	83.00	15.00		68.00	83.00	15.00	
Health Service Fee	190.00	195.00	5.00		190.00	195.00	5.00	
Student Activity Fee	90.00	90.00	0.00		90.00	90.00	0.00	
Capital Outlay Fee	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>		<u>576.00</u>	<u>612.00</u>	<u>36.00</u>	
Total	\$9,517.00	\$9,885.46	\$368.46	3.87%	\$22,949.00	\$23,912.46	\$ 963.46	4.20%

In University Housing

Monroe Park Campus

Tuition	\$7,532.00	\$7,860.00	\$328.00		\$20,388.00	\$21,275.00	\$ 887.00	
University Fee	1,637.00	1,657.46	20.46		1,637.00	1,657.46	20.46	
Technology Fee	68.00	83.00	15.00		68.00	83.00	15.00	
Health Service Fee	190.00	195.00	5.00		190.00	195.00	5.00	
Student Activity Fee	90.00	90.00	0.00		90.00	90.00	-	
Capital Outlay Fee	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>		<u>576.00</u>	<u>612.00</u>	<u>36.00</u>	
Housing	5,262.00	5,292.00	30.00		5,262.00	5,292.00	30.00	
Board (2 semester)	<u>3,384.00</u>	<u>3,456.00</u>	<u>72.00</u>		<u>3,384.00</u>	<u>3,456.00</u>	<u>72.00</u>	
Total	\$18,163.00	\$18,633.46	\$470.46	2.59%	\$31,595.00	\$32,660.46	\$1,065.46	3.37%

Note: For MCV Campus students, student activity fee is \$36. Totals do not include program-specific charges.



Tuition and Fees Recommendations for FY 2013

	Resident				Nonresident			
	2011-12	2012-13	\$ Chg	% Chg.	2011-12	2012-13	\$ Chg	% Chg.
Masters								
Tuition	\$9,133.00	\$9,530.00	\$397.00		\$18,777.00	\$19,594.00	\$817.00	
University Fee	1,637.00	1,657.46	20.46		1,637.00	1,657.46	20.46	
Technology Fee	68.00	83.00	15.00		68.00	83.00	15.00	
Health Service Fee	190.00	195.00	5.00		190.00	195.00	5.00	
Student Activity Fee	56.00	56.00	0.00		56.00	56.00	0.00	
Capital Outlay Fee	n/a	n/a	n/a		576.00	612.00	36.00	
Total	\$11,084.00	\$11,521.46	\$437.46	3.95%	\$21,304.00	\$22,197.46	\$893.46	4.19%
Doctoral								
Tuition	\$7,535.00	\$7,863.00	\$328.00		\$16,063.00	\$16,762.00	\$699.00	
University Fee	1,637.00	1,657.46	20.46		1,637.00	1,657.46	20.46	
Technology Fee	68.00	83.00	15.00		68.00	83.00	15.00	
Health Service Fee	190.00	195.00	5.00		190.00	195.00	5.00	
Student Activity Fee	56.00	56.00	0.00		56.00	56.00	0.00	
Capital Outlay Fee	n/a	n/a	n/a		576.00	612.00	36.00	
Total	\$9,486.00	\$9,854.46	\$368.46	3.88%	\$18,590.00	\$19,365.46	\$775.46	4.17%

Note: For MCV Campus students, student activity fee is \$36. Does not include program-specific charges.



Tuition and Fees Recommendations for FY 2013

	Resident				Nonresident			
	2011-12	2012-13	\$ Chg.	% Chg.	2011-12	2012-13	\$ Chg.	% Chg.
Dentistry - First Year								
Tuition	\$ 23,198.00	\$ 25,982.00			\$ 46,921.00	\$ 50,205.00		
University-required fees	1,931.00	1,971.46			1,931.00	1,971.46		
Capital Outlay Fee	n/a	n/a			576.00	612.00		
School-required fees	8,769.00	9,130.00			8,769.00	9,130.00		
Total tuition and fees	\$ 33,898.00	\$ 37,083.46	\$ 3,185.46	9.40%	\$ 58,197.00	\$ 61,918.46	\$ 3,721.46	6.39%
Medicine - First Year								
Tuition	\$ 27,345.00	\$ 28,165.00			\$ 41,273.00	\$ 42,511.00		
University-required fees	1,931.00	1,971.46			1,931.00	1,971.46		
Capital Outlay Fee	n/a	n/a			576.00	612.00		
School-required fees	498.00	398.00			498.00	398.00		
Total tuition and fees	\$ 29,774.00	\$ 30,534.46	\$ 760.46	2.55%	\$ 44,278.00	\$ 45,492.46	\$ 1,214.46	2.74%
Pharmacy (PharmD) All Years								
Tuition	\$ 21,963.00	\$ 22,842.00			\$ 31,654.00	\$ 32,920.00		
University-required fees	1,863.00	1,888.46			1,863.00	1,888.46		
Capital Outlay Fee	n/a	n/a			576.00	612.00		
School-required fees	650.00	650.00			650.00	650.00		
Total tuition and fees	\$ 24,476.00	\$ 25,380.46	\$ 904.46	3.70%	\$ 34,743.00	\$ 36,070.46	\$ 1,327.46	3.82%

Budget Recommendations

Development of the recommended operating budget for FY 2013 represents significant opportunities for VCU

- We are not starting out in a deficit position
- Clear guidance provided by *Quest* foundation
- Recognition that students and families face financial challenges
- Need to make progress toward the goals of *Quest*
- Through the reallocation of existing University resources and a modest tuition increase, the FY13 budget will allow targeted investments in VCU's future

Sources and Uses in the recommended E&G budget (in \$000s)

Central E & G Sources of Funding

	(\$ in millions)	
	<u>FY 2012</u>	<u>FY 2013</u>
State General Fund E&G Support	\$142,212	\$150,550
Federal Stimulus	7,773	0
E&G Tuition prior to rate changes *	<u>308,011</u>	<u>321,784</u>
Total	\$457,996	\$472,334
Difference in Revenues compared to FY 2012		\$14,338
Increased Revenues due to Tuition Increase		<u>\$8,866</u>
Additional Revenue Available FY 2013		<u>\$23,204</u>

* Increased tuition revenues prior to rate changes due to enrollment changes, increased summer participation and lower than projected bad debt

Central E&G Uses

	(\$ in millions)
	<u>FY 2013</u>
Unavoidable costs (meeting current enrollment demands, new buildings coming on-line, contract escalations, salary and fringe benefit increases, compliance)	\$6,620
New Faculty	5,923
Recruitment and retention of students	3,430
Scholarships and Assistantships	2,124
Research	1,561
Library and Technology Enhancements	1,406
Campus Safety	484
Legal, Audit, and Finance	783
Faculty Promotion and Retention	<u>264</u>
Subtotal	\$22,595
Restoration of a portion of E&G Contingency used to balance FY 2012 Budget	609
Total	\$23,204