



# Longwood University Operating Budget and Plan

FY 2025-26

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## 2025-26 Plan Highlights

This section provides an overview of the University's Fiscal Year 2026 operating budget. Detailed budget information is provided in the supporting tables. Highlights of the proposed plan are presented below.

### Continued Strong State Funding

This year, the General Assembly met in a combination of regular and special sessions that began January 8, 2025, and ended in May 2025. The Governor signed the FY 2026 budget on May 2<sup>nd</sup>, 2025.

### Minimal Tuition Increase Coupled with Spending Guardrails

For FY 2026, tuition is proposed to increase 1.36%, along with associated fee increases. These changes cover inflationary costs and costs associated with base salary and benefit increases.

The projected institutional budget for FY 2026 is \$157,870,094 which excludes \$9,722,929 in state appropriation for student financial assistance and \$4,395,130 from local sources. Longwood University is increasingly utilizing local funds to support initiatives across all areas of the institution.

The Educational and General Programs budget, which includes both general and non-general funding sources, is composed primarily of expenditures and revenues in the Instructional programs. The total planned expenditure for FY 2026 is \$90,605,704.

In FY 2026, Longwood will contribute \$94,500 to fund faculty promotions.

### Auxiliary Services

The second major component of the University's total budget is Auxiliary Services, which includes activities such as student housing, dining services, parking and athletics. The proposed Auxiliary Services budget for FY 2026 is \$67,264,390. For FY26, comprehensive fees are proposed to increase 5.65%. These additional charges cover inflationary costs, debt service changes and costs associated with base salary and benefit increases.

### Assessment Committee Priorities

The work of the Assessment Committee of the University Planning Council identified four items through campus-wide assessment work. These items were endorsed by the Finance Committee of the University Planning Council, with funding planned from existing sources in FY 2026 operating budgets. The four items include: \$2,200 for NCRUA trainings for staff with the Office of Sponsored Programs and Research; \$1,750 for CCCAS to train its employees in administering The Intercultural Development Inventory (IDI); \$2,500 in one-time pilot funding to the English department to arrange programs and events to further Alumni engagement; and lastly \$17,000 one-time funding to implement a new fixed assets system to improve the inventory process and reporting accuracy.

# 2025-26 General Assembly

The state appropriation amount included in this operating plan assumes Longwood’s current total Educational and General (E&G) appropriation. This operating plan assumes The Department of Planning and Budget will provide a central adjustment of \$1,646,623 in FY 2026. This adjustment is due to the classified salary increase of 3%, benefit, health insurance increases, and other miscellaneous adjustments that will occur in FY 2026.

## Financial Aid

General fund support for student financial assistance in FY 2026 has increased by \$25,480 for a total of \$9,722,929.

## Southside Virginia Regional Technology Consortium

Funding is expected to be level at \$108,905 for the SVRTC in FY 2026.

## Sponsored Programs

Longwood University’s sponsored programs increased \$150,000 and are estimated at \$5,828,393 for FY 2026.

## Higher Education Equipment Trust Fund

Funding for the FY 2026 Equipment Trust Fund (ETF) program of \$743,433 in general fund will be appropriated to Longwood. This is unchanged from the previous year.

## Out-of-State Capital Fee

Out-of-state students are required to pay 100% of the average cost of their education. Additionally, non-resident students will pay \$23 per credit hour as a mandatory capital fee. The amount of capital fees that will be paid by the University to support state capital project debt service on bonds issued under the 21st Century Program remains unchanged at \$106,149.

## Capital Projects

Longwood’s Maintenance Reserve funding for FY 2026 is \$1,642,242.  
Longwood received \$2,160,863 in General Fund, and \$551,454 in Non-General Fund to Replace and augment information technology network and security equipment across the campus.  
Wygat Hall Replacement Building to start the construction phase with an estimated completion date of FY 2028.

## 2025-26 Educational and General Program Priorities

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The University's 2025-2026 Educational and General budget is based on priorities that support the strategic plan. After carefully examining the revenue projection for FY 2026, and evaluating requests from institutional areas, funds were allocated for strategic initiatives. The recommended expenditure includes funds for the following:

- Enrollment Management
- Quality Enhancement Plan
- Faculty Promotions
- Technology Infrastructure
- Campus Masterplan
- Follett Equitable Access Program Rollout

## 2025-26 Auxiliary Services Program Priorities

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The University's 2025-2026 Auxiliary Services budget is based on the program priorities listed below. Auxiliary activities are required to be self-supporting and must maintain sufficient fund balances for operations, equipment replacement and maintenance reserves. The Board of Visitors approved housing and dining rate increases on December 1, 2024. Comprehensive fees are proposed and will be approved at the Board of Visitors meeting in June.

### Auxiliary Indirect Cost Rate

The Auxiliary Services operations are charged an indirect cost recovery rate for services provided by educational and general operations (such as payroll processing, purchasing, billing services, and facilities administration). The auxiliary cost study is submitted to SCHEV prior to the beginning of each biennium. The indirect cost rate for the 2024-2026 biennium is 12.27%. This is a 1.33% decrease from the prior biennium.

### Housing & Dining

Combined, Housing and Dining are self-supporting operations and contribute to any needs in comprehensive fee budgets.

### Comprehensive Fee Budgets

The comprehensive fee is used to support many auxiliary programs and services including intercollegiate athletics, recreation and intramural programs, the student union, student health and wellness services, debt service, and repair and maintenance on non-general fund supported facilities. Specific examples for FY 2026 include:

- Auxiliary Facility and Grounds Maintenance Reserve Planning
- Dorrell Dining Hall Refresh Project
- Baseball Field Renovation

# Longwood University

## FY 2025-26 Financial Overview

Educational and General	FY2025 Actual	FY2026 Budget
<i>Revenues</i>		
Tuition, Fee, and other E&G Revenues	35,826,383	37,223,670
State Appropriation – General Fund	53,774,344	53,332,034
Federal Workstudy	50,000	50,000
<i>Total Revenues</i>	89,650,727	90,605,704
<i>Expenditures</i>		
Instruction	43,550,133	43,665,791
Public Service	593,596	531,833
Academic Support	8,279,516	8,203,278
Student Services	5,008,061	5,126,419
Institutional Support	21,279,575	21,231,583
Facilities Operations	8,892,116	9,842,173
Scholarships	2,995,639	3,507,529
Salary Savings	(947,909)	(1,502,902)
<i>Total Expenditures</i>	89,650,727	90,605,704
<i>Auxiliary Services</i>		
<i>Revenues</i>		
Housing	24,768,778	26,236,865
Dining	9,218,279	9,969,569
Comprehensive Fee	20,481,874	21,722,856
Miscellaneous Generated	3,583,096	4,154,397
Component & Philanthropic	4,076,238	5,026,403
Federal Workstudy	154,300	154,300
<i>Total Revenues</i>	62,282,565	67,264,390
<i>Expenditures</i>		
Housing	24,075,590	25,618,521
Dining	10,056,793	10,668,873
Athletics	9,802,311	9,815,882
Other Services	13,597,598	16,482,341
Scholarships	4,890,663	4,978,773
Salary Savings	(140,390)	(300,000)
<i>Total Expenditures</i>	62,282,565	67,264,390
<i>Institutional Total Expenditures</i>		
Institutional Total Expenditures	151,933,292	157,870,094

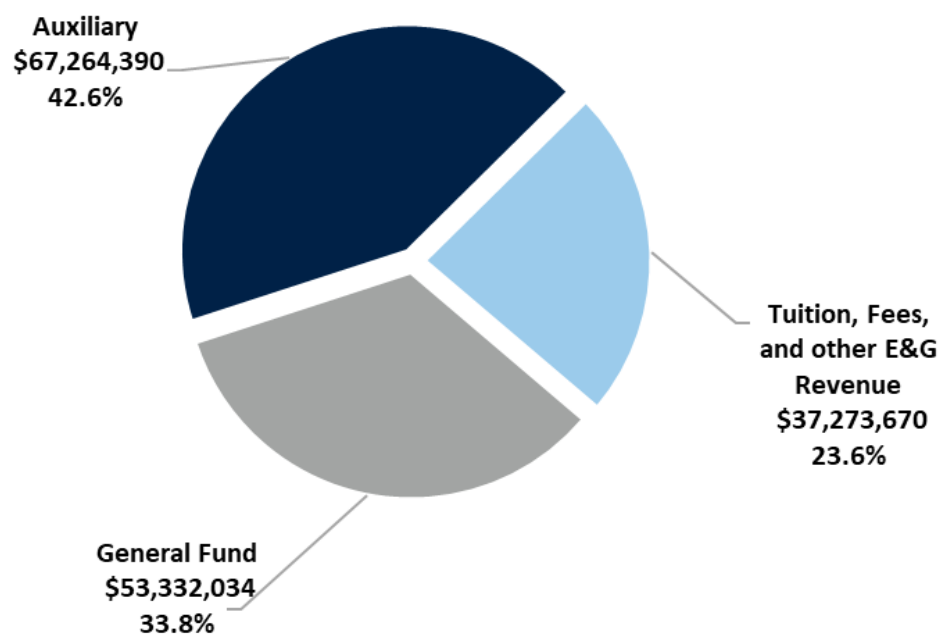
\*Appropriation excludes Higher Education Student Financial Assistance of \$10,048,449 in FY 2025 and \$9,722,929 in FY 2026.

\*Dashboard excludes \$4,395,130 in projected local operating revenue/expenses.

\*FY25 Actual based on March 31, 2025 monthly statements

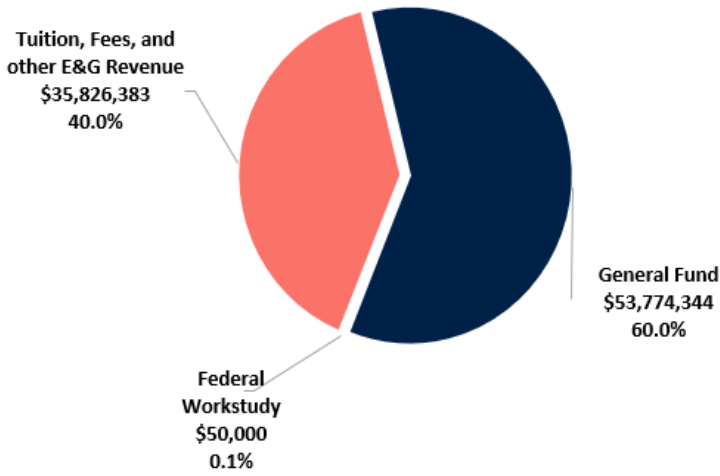
## 2025-26 Total Revenue by Category

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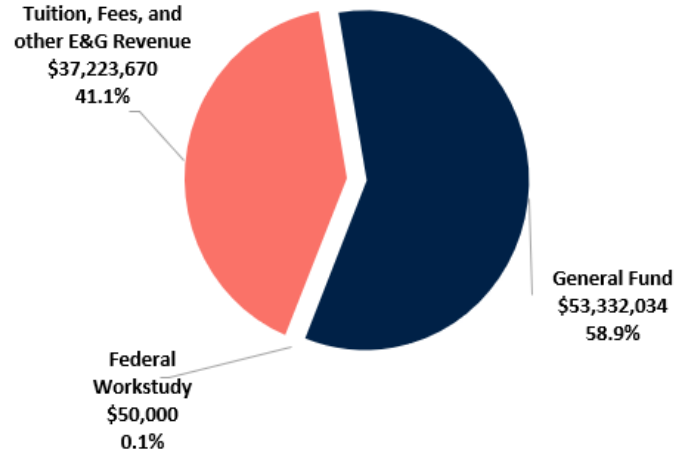


**2025-2026 Revenue: \$157,870,094**

## 2025-26 Educational and General Revenues by Previous Year Comparison

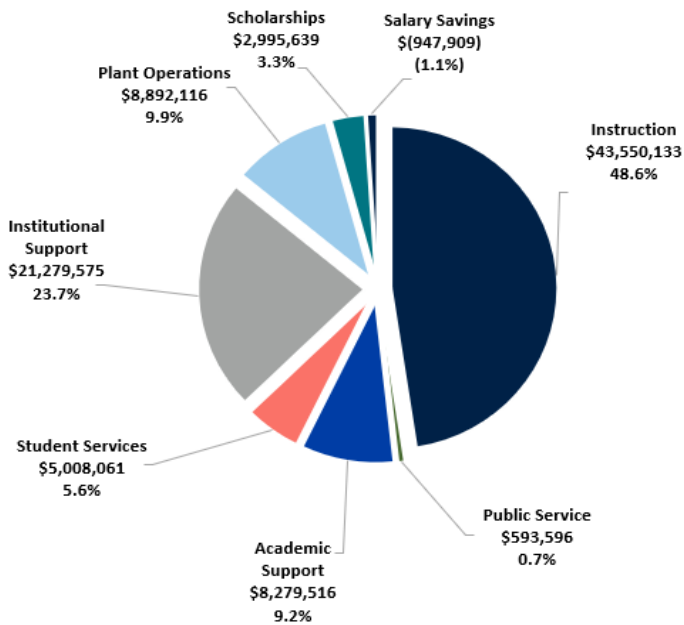


**2024-2025 E&G Revenue: \$89,650,727**

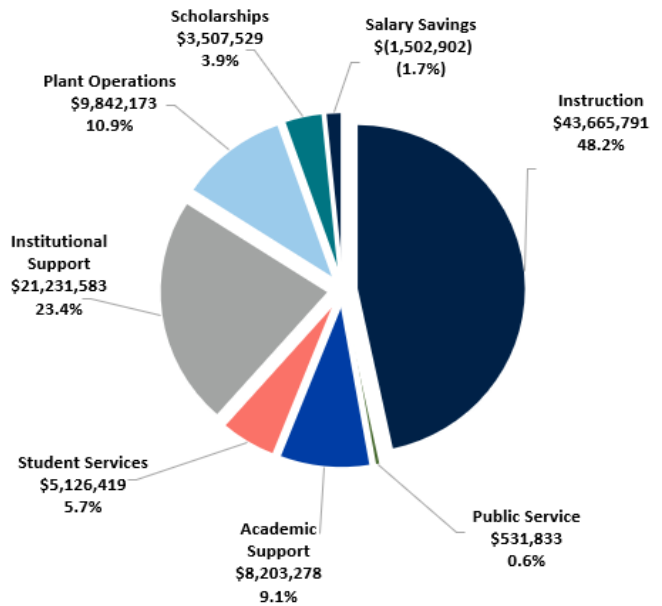


**2025-2026 E&G Revenue: \$90,605,704**

## 2025-26 Educational and General Expenditures by Previous Year Comparison

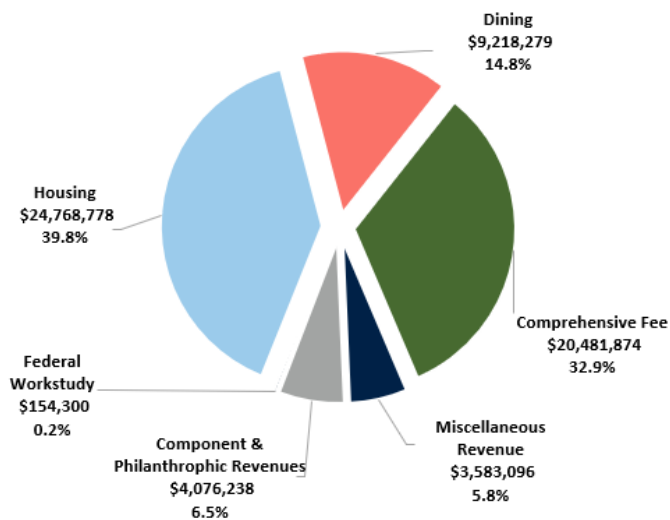


**2024-2025 E&G Expenditures: \$89,650,727**

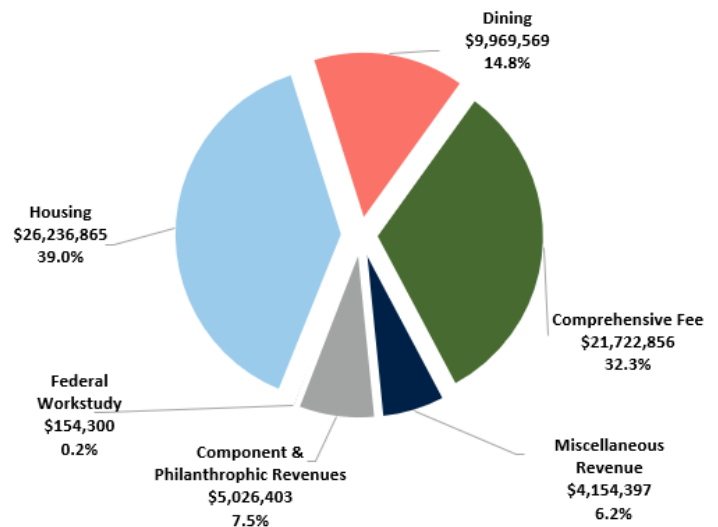


**2025-2026 E&G Expenditures: \$90,605,704**

## 2025-26 Auxiliary Services Revenues by Previous Year Comparison

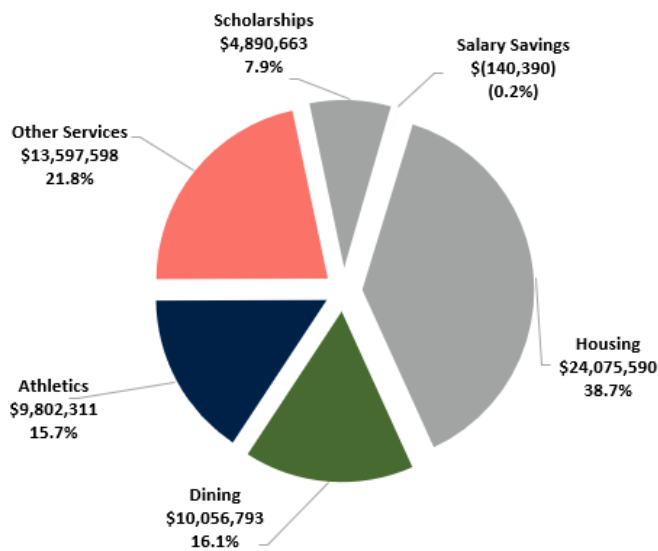


**2024-2025 Auxiliary Revenue: \$62,282,565**

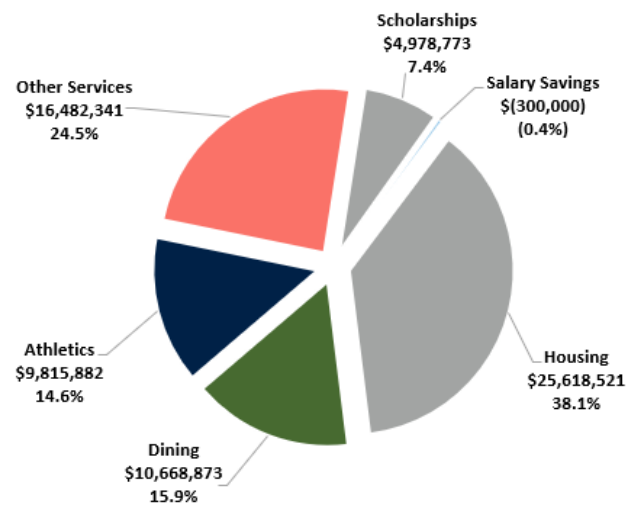


**2025-2026 Auxiliary Revenue: \$67,264,390**

## 2025-26 Auxiliary Services Expenditures by Previous Year Comparison



**2024-2025 Auxiliary Expenditures \$62,282,565**



**2025-2026 Auxiliary Expenditures \$67,264,390**

## Budget Allocation Ratio

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This ratio reflects the amount of expenditures, by function, as a percentage of total educational and general expenditures and mandatory transfers. Major shifts in the various percentages may reflect a change in funding priorities.

Formula: Expenditure Budget (by function)/Total Educational and General Education Budget

	Fiscal Year	
	2025 Actual	2026 Budget
Instruction and Academic Support	58.87%	58.92%
Public Service	0.67%	0.60%
Student Services	5.69%	5.82%
Institutional Support	24.17%	24.12%
Operation and Maintenance of Plant	10.10%	11.18%
Student Aid	3.40%	3.98%

## Longwood remains in a strong position

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The allocation ratios for Longwood University show slight shifts from the last fiscal year. The following contributed to changes in expenditure budgets:

- Instruction and Academic Support remain relatively unchanged from the previous fiscal year in both ratio and dollars spent.
- Institutional Support's allocation ratio increased in FY 2024 due to reclassification of auxiliary expenditures to E&G, it has remained consistent with this ratio through FY 2025 and is expected to remain consistent in FY 2026.
- Student Services remain relatively unchanged from the previous fiscal year in both ratio and dollars spent.
- The percentage for Plant Operation and Maintenance increased as a result of escalating utility expenses and inflationary costs.
- Public services remain relatively unchanged from the previous fiscal year in both ratio and dollars spent.
- Student Aid funding increased in percentage from the prior year due to an increased focus on maximizing financial aid dollars.

## Local Operating Budget

Longwood University is increasingly utilizing local funds to support initiatives across all areas of the institution.

	FY2025 Actual	FY2026 Budget
Academic Affairs	1,062,333	1,606,111
Advancement	389,433	565,019
Athletics	1,384,105	1,200,000
Other Local	1,072,148	1,024,000
<i>Total Operating</i>	3,908,019	4,395,130

## Debt Burden Ratio

The debt burden ratio examines the University's dependence upon borrowed funds as a means of financing its mission. It compares the level of debt service with the institution's budgeted expenditures.

A level trend or a decreasing ratio over time indicates that debt service has sufficient coverage without impinging further on other functional areas. The standard for higher education is a maximum of 7 percent, meaning that current principal and interest expense should not be greater than 7 percent of the total budget.

Although the 7 percent level is an acceptable threshold, this percentage can range between 5 percent and 10 percent. The actual percentage will vary based upon the financial strength of the institution. Institutions with greater flexibility in allocating funds will be able to take on additional debt. Longwood participates in the state bond program which is based on fixed rates. Debt does not increase without budgeting an increase in funds available to pay the financial obligations.

In March 2007, the Board of Visitors approved an institutional debt ratio of up to 9 percent to facilitate the completion of non-general fund projects approved by the General Assembly.

Formula: Debt service/Total expenditure budget

	FY2026
Longwood Debt Burden Ratio	7.71%

\*Debt burden ratio is calculated on most recent audited financial statements

# Glossary

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**Academic Support:** Includes activities conducted to provide support services to the institution's three primary programs: instruction, research and public service. Examples include the library, deans, academic technology, and academic service center and disability resources.

**Appropriation:** An expenditure authorization with specific limitations as to amount, purpose, and time; formal advance approval of an expenditure from designated resources available or estimated to be available.

**Auxiliary Services:** Activities within the University that exist to furnish goods or services directly or indirectly to students, faculty and staff. These activities charge fees directly related to, but not necessarily equal to, the cost of the service. Auxiliary services must be self-supporting.

**Banner:** Longwood's administrative information system that integrates Finance, Student and Human Resources modules within a single enterprise system.

**Direct Sales (Auxiliary):** Sales of auxiliary services, to include facility rental, bookstore income, parking decals/fines and recreation center memberships.

**Educational & General (E&G):** Term used to describe all operations related to the institution's educational objectives.

**Full-Time Equivalent (FTE):** A means for expressing part-time students or faculty as a full-time unit. The formula is generally based on credit hours. Example: An institution may define full-time as being twelve credit hours, so a student (or faculty member) taking (or teaching) three credit hours would then equal .25 FTE.

**General Funds:** Revenue received from the State from the collection of taxes, fees and other charges.

**Grants and Contracts (Sponsored Programs):** Sponsored program funds are generated through a grant or contractual agreement. Funds may be provided by state, federal, local or private entities. Sponsored program funds must be expended for the purposes outlined in the respective grant/agreement.

**Indirect Costs:** Fee charged to grants or contracts to pay for the use of University facilities, i.e., overhead.

**Institutional Support:** Activities whose primary purpose is to provide operational support for the day-to-day functioning of the institution, excluding physical plant operations. Examples include the President, Vice-Presidents, institutional research and assessment, administrative technology, public relations, financial operations, internal audit, human resources, and safety and security.

**Instruction:** Includes all activities that are part of the institution's instructional program, primarily all academic departmental operations.

**Mandatory Transfers:** Transfers arising out of (1) binding legal agreements related to the financing of the educational plant, such as amount for debt retirement, interest and required provisions for renewals and replacements of plant, not financed from other sources, and (2) grant agreements with agencies of the federal government, donors, and other organizations to match gifts and grants to loan funds and other funds.

**Miscellaneous E&G Revenues:** Includes non-general fund revenues derived from the sale of goods or services that are incidental to the conduct of instruction, research or public service. Examples include revenues from facility rentals, payment plan fees, administrative fees and indirect costs.

**Non-general Funds:** Tuition, fees, and all other funds not received from the State. This includes grants and contracts income.

**Non-mandatory Transfers:** These transfers serve a variety of objectives such as moving monies generated in auxiliary enterprise fund groups to an E&G fund group or to a capital outlay fund group for use in providing project funding.

**Operation and Maintenance of Plant:** This category includes the operation and maintenance of the physical plant. It includes all operations established to provide services and maintenance related to campus grounds and facilities. It also includes utilities, insurance, facilities management, custodial services, sustainability and power plant operations.

**Public Service:** Includes all funds expended for those non-instructional services established and maintained to provide services to the general community or special sectors within the community. Community service is concerned with making available to the public various resources and unique capabilities that exist within the institution. The Longwood Small Business Development Center is included in this category.

**Restructuring:** Legislation that allows institutions of higher education varying levels of decentralization in the areas of procurement, personnel and capital outlay while establishing commitments and performance measures for the institutions.

**Student Fees (Auxiliary):** Student dining, housing and comprehensive fees.

**Student Services:** Those activities whose primary purpose is to contribute to students' emotional and physical well-being and to their intellectual, cultural and social development outside the context of the formal instruction program. Examples include academic and career advising, admissions, registration, financial aid and student success.

**Tuition and Fees:** Non-general funds that include all tuition and fees assessed against students for current operating purposes. Fees include application fees, registration fees, course fees and on-line fees.