

Notes from University Planning Council Meeting
January 23, 2014

Master plan update

- Last master plan was in 2008 and based on data from Fall 2006 and so it is out of date
- Time for a new master plan that translates the university mission, vision, and strategies into physical space.
- The master plan is what guides 6yr capital submissions to the general assembly and governor
- Vision 2020 is 5600 undergrads on campus. There is a need for more buildings. Previously buildings have been single use/single organization and this will change. There are changes in academics and how students consume education.
- Infrastructure is also important. For example, a heating plant that provides steam heating to the entire campus
- The limitation of existing buildings is that they are out of date and need to be more responsive and flexible to a changing environment
- Planning is based on data and is supposed to be inclusive of all groups that will be impacted
- Square footage is actually defined by SCHEV
- Committee membership – steering committee (works with BoV) includes faculty senate rep. The working group is Dick Bratcher, Louise Waller, Tracey Nelson, David Fletcher.
- Groups will be consulted in some capacity (e.g. parents council, staff advisory committee)
- Goal is to complete the planning process in the spring to be ready for the next capital input process

Governor's Budget

- There is \$2.1 million of additional appropriations in the budget for LU this year. This is an increase but most of these additional dollars are already earmarked for cost increases such as increased healthcare and retirement costs Healthcare went up ~5.5% and is forecast to increase 6.9% in FY16.
- In terms of capital projects, no new projects are being approved in higher ed. Projects already approved are still going ahead.
- We are likely to come out of this general assembly session with more money than last year rather than less, but because state funding is shrinking part of the overall budget the changes will likely not make a great impact (state funding used to be 50% of our revenues, now is ~24%)
- Tuition and fees are the greatest revenue drivers.

Expenditure Assumptions

- Holding tuition and fees constant, and including all of the additional budget requests from the VPs, there is a \$7.4 million shortfall. With NO additional budget requests, there is a \$2.5 million dollar shortfall.
- There is a large increase in operating expenses that comes mainly from health care and retirement costs (\$58 to \$63 million)

- The submitted budgets do not include raises.
- Biggest thing to focus on is that the budget assumes credit hour production remains constant and does not factor in an increase in revenue from increased student number or increased retention. Pres Reveley stated “A lot of the 2 million goes away with retention” which may offset or delay increases in tuition. We want to get to a point where tuition increases aren’t happening every year.
- The additional budget requests are what everyone wants, not what is actually going to be funded. Requests will be funded based on priority and association with the strategic plan.
- President Reveley noted that a top priority is also to fund performance based salary increases.
- So the budget we looked at was conservative, high on expenditure and low on revenue.
- Incoming class numbers look good. Acceptances and deposits are 14-15% higher than where they were this time last year.
- We have been losing 1/10 of the freshman class between fall and spring. We are now, for the first time ever seeing a 95% retention rate; we have 1000 freshmen enrolled in the spring.
- Some faculty resources were put in place to accommodate this large class.
- Tim Pierson talked about how important it is to look for creative ways to restructure and reallocate resources, This may require rewriting a job description. We need to get used to the idea that when someone leaves or retires there will not be an automatic search for that position, the line may need to be reallocated.

Cost reduction strategies

- Educational Advisory Board
- Work with 600 schools nationwide to provide data and recommendations for strategic resource allocation
- Annual fee of \$19,500. VA schools ODU, GMU, UVA, Va State, Tech, 2 or 3 year contract
- Offer a database of projects that can be accessed including: academic and course fee models, addressing compensation rates, allocation of admin costs to colleges and schools, budget models and transparency, budget forecasting, data warehousing and admin research support, measuring faculty productivity.
- It takes ~6.8 weeks for any Longwood specific project and so we can get 7-8 custom analyses annually.
- This is an objective third party