

## **Budget and Planning Committee 2010 Annual Report**

### Senate Committee Membership

Norman Bregman  
Roy Creasy  
Nancy Powers  
Keith Rider – Chair  
William Stuart

### Purpose of the Senate Budget and Planning Committee

The Budget and Planning Committee serves as the liaison between the faculty and the administration for the development of the budget. Although the senate committee can, and does, meet on its own, the committee's primary function is to serve on the University Budget and Planning Committee. The University Budget and Planning Committee is responsible for making a recommendation to the president on additions or cuts. A complete membership list for the committee can be found on the following page. The Vice President for Academic Affairs and the Vice President for Administration and Finance normally co-chair the University Budget and Planning Committee.

### Committee Activity

As the beginning of FY 2009-2010 approached there were many sources of uncertainty that made developing a reasonable budget difficult. The economy was weak and not yet showing signs of recovery, which made our normally reliable predictions of student enrolment less reliable, and the state tax revenue was well below its forecasted level. In addition, a gubernatorial election was approaching, which provided another source of uncertainty.

Faced with a budget shortfall of large, unpredictable magnitude, the president decided to act as chair of the University Finance and Planning Committee. Naturally, this changes the function of the committee substantially. The committee normally acts independently to produce a budget recommendation for the president to consider, but now it has no independence. We were permitted to discuss any topic we wished to during the meetings, but the committee played no formal role in the budgeting decisions for FY 2009-2010.

The fall semester featured a review of last year's budget and recent budget cuts, and was generally marked by a "wait and see" approach. The shortfall in the FY 2009-2010 budget was met by a combination of tuition increases and spending reductions. A proposal to reduce the student comprehensive fee and to partially offset the tuition increase was brought to the committee on behalf of AAC and Faculty Senate and was rejected. The Board of Visitors approved a mid-year tuition increase of 5%, which brought in substantial additional revenue during the Spring 2010 semester. This combined with \$780,000 in spending reductions to balance the budget without layoffs. The spending reductions were spread over all budget areas, but the single biggest item was \$239,000 of credit card fees that will no longer be paid by the university, but will be passed on to the students. Of the other budget cuts, the one that is most likely to affect academics is the reduction in the amount of work-study available for staffing the computing labs.

The committee is currently working on the FY 2010-2011 budget, which is expected to include \$600,000 in revenues over the budgeted expenditures. (The political changes in Richmond this year make the state funding more difficult to predict than usual. It is possible that some or all of the extra \$600,000 will be needed to cover charges that are levied on the university by the state.) The committee is prioritizing approximately \$3.1M in requests from the Vice Presidents in an effort to allocate the estimated \$0.6M in available funds. Since the FY 2011-2012 is expected to have a substantial shortfall, the new spending is restricted to one-time items only, which means that it cannot be spend on raises or permanent hiring but can be spend on part-time workers or equipment.

The American Recovery and Reinvestment Act (ARRA) allocated \$4.0B in 2009 for Virginia and the state has received \$1.0B of this money so far. Longwood has not received any ARRA money yet, but we hope to see some in May; apparently we will have until the first quarter of 2012 to spend it. The ARRA funding is not permanent, so it will need to be spent on one-time or short-term items.

### Conclusion

The budget situation seems stable as we approach FY 2010-2011. Although we cannot ignore the effects of tuition increases on our students and their families, it seems prudent to have made the painful but necessary tuition increases to provide continuity of service, and a stable financial picture for our incoming President, at least in the near-term. Still, FY 2011-2012 (which begins June 30, 2011) will present a new set of challenges as Longwood continues to grapple with reductions in state funding, and the lingering effects of the recession.

### University Committee on Finance and Planning Membership

Jennifer Abbassi  
Troy Austin  
Wendell Barbour  
Paul Barrett  
Richard Bratcher  
Norman Bregman  
Cam Patterson  
Roy Creasey  
Deneese Jones  
Anthony Koyzis  
Wayne McWee  
Frank Moore  
Tracy Nelson  
Susan Osborne  
Kenneth Perkins  
Tim Pierson  
Nancy Powers  
Crystal Ragland  
Keith Rider  
Craig Rogers  
Charles Ross  
William Stuart  
Kathy Worster