

Finance and Planning Report to Faculty Senate  
April 7, 2016  
Charles White  
Chair, Senate Committee on Finance and Planning  
Committee Members: Lissa Power-DeFur, Jo Morrison, Jeff Halliday

**Budget Update**

**General Assembly Conference Report**

While the final budget has yet to be approved, indications suggest that Longwood will fare favorably in the upcoming year, receiving increases in the general fund, financial aid, ETF, maintenance reserves, healthcare contributions and VRS allocations (to offset rising costs). Additional monies have also been allocated for capital projects including the new academic building and increased capacity of the steam plant.

**Salaries**

Additionally, there is the possibility of a 3% salary increase around November. While, on an individual level, salary increases are generally a good thing, these across-the-board and largely unfunded increases mandated by the Commonwealth add further expense to the base salary budget and exacerbate internal salary compression and inversion problems. Longwood continues to work on a systematic procedure for regular merit-based increases to address salary compression and inversion problems; however these efforts are complicated by the uncertainty associated with the Commonwealth budget process.

**Debate Planning**

As debate planning and preparation moves forward, the president's office continues to estimate that approximately \$5m will be spent for debate-related expenses and construction. Of course, many of these expenditures and improvements, from IT and marketing, student affairs, and facilities, are a natural, debate-related extension of projects already planned or underway before the debate was announced. All funding for the debate will come entirely from non-E&G<sup>1</sup> cash reserves. Even a small enrollment bump, particularly from out-of-state students, would easily cover these direct costs and the indirect benefits associated with the debate, particularly name-recognition and exposure, will accrue for years to come.

**University Planning Council (UPC) Update**

The finance subcommittee of the UPC met for the first time on March 29. We received an update on the General Assembly Conference Report, discussed salary compression problems, the six-year plan, and options for budget training over the summer for members of the committee. The next meeting of the University Planning Council will be held in Blackwell Hall at 3:30 on Thursday, April 28, 2016. Please plan to attend and encourage your departments to attend as well.

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<sup>1</sup> Education & General (E&G) funds are operating revenue derived from primarily two sources, tuition and annual general fund appropriations and may only be used for instruction, public service, academic support, students services, institutional support, and operation of the physical plant. Non-E&G or auxiliary revenues are primarily derived from student fees (housing, dining, comprehensive fees, etc.). At the end of each fiscal year, surplus funds generated from auxiliary enterprises may be allocated to reserves. Reserves are earmarked for debt service, capital improvement projects, and special projects.