



**VCU Faculty Senate  
Meeting  
September 5, 2023**

**Karol Kain Gray**  
Senior Vice President &  
Chief Finance Officer

State & Tuition Supported (E&G)

Designated Funds

Committed for E&G Utilities,  
Maintenance, Contracts,  
Services , 6%

Committed for E&G  
Scholarships , 4%

Committed for E&G  
Personnel , 39%

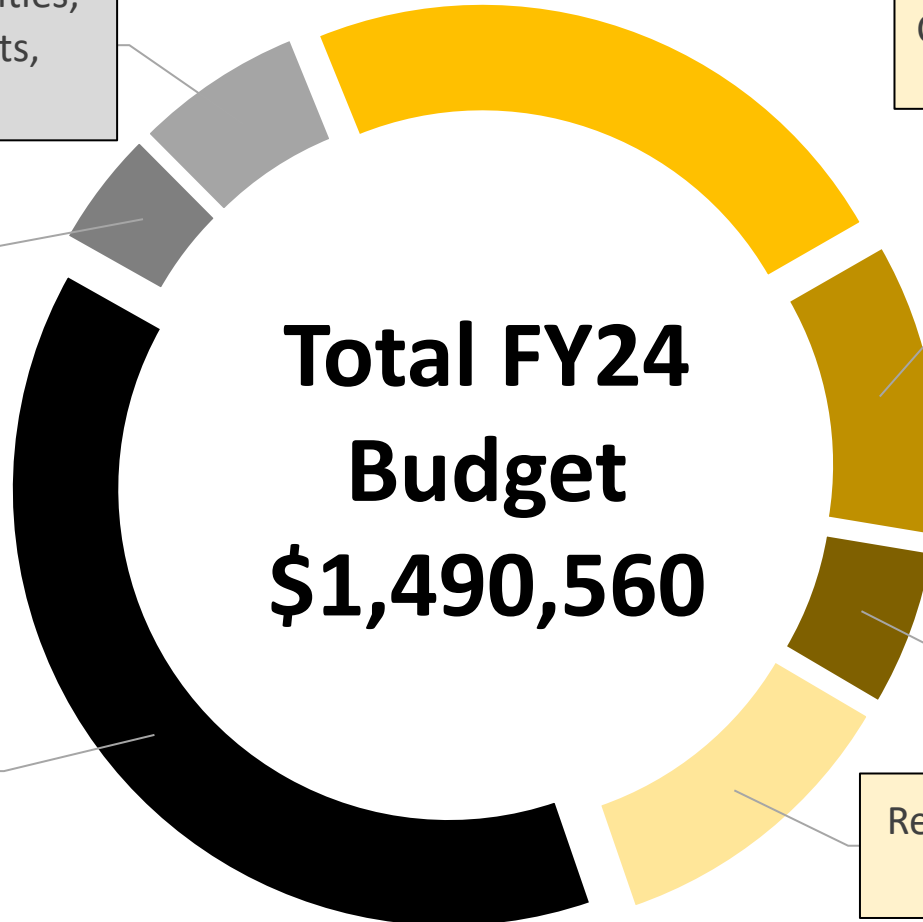
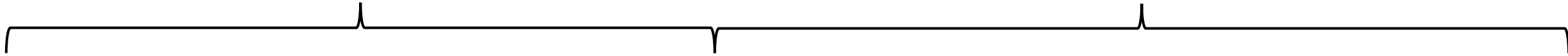
Restricted for Grants &  
Contracts Sponsored  
Programs , 23%

Restricted for Housing,  
Dinning, Athletics -  
Auxiliary Funds , 11%

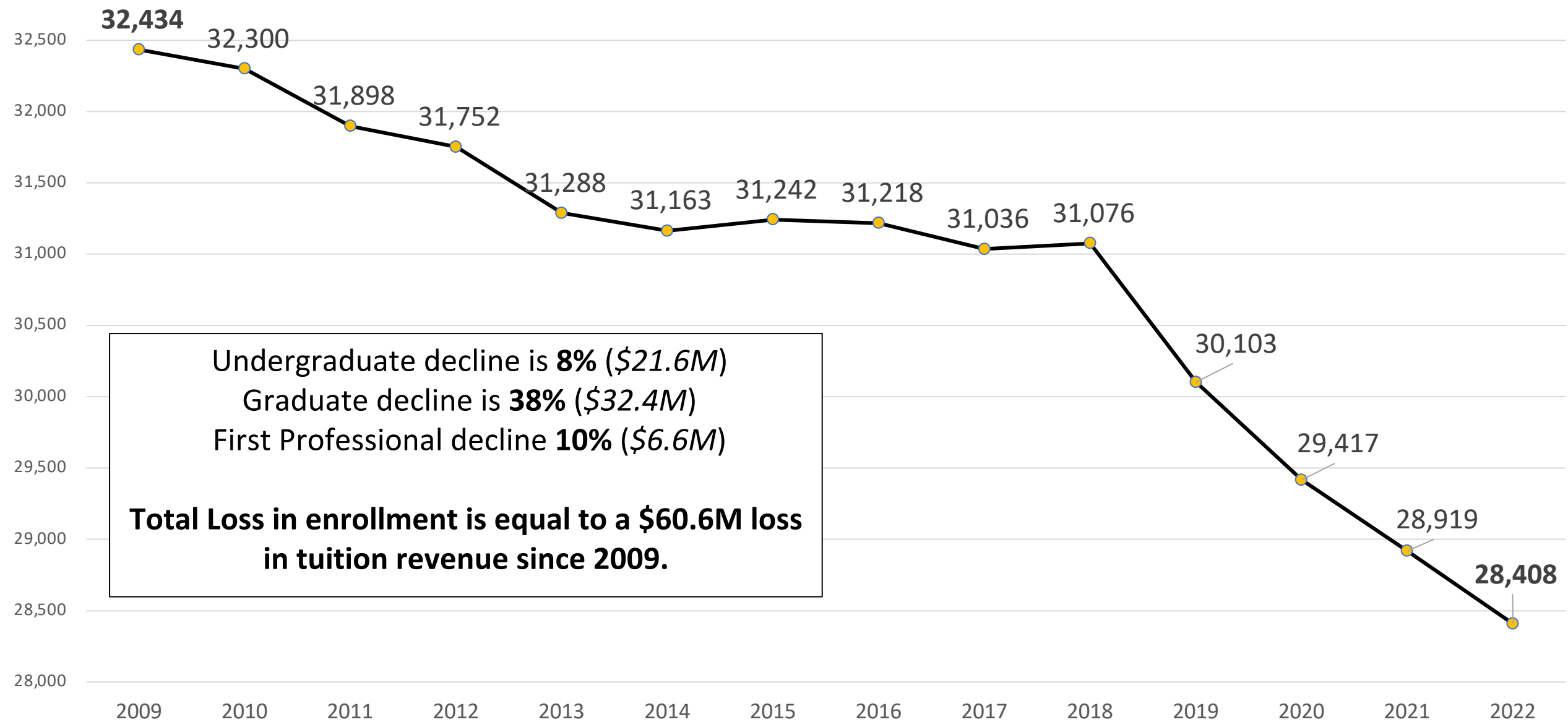
Restricted for Student  
Finanical Assistance , 6%

Restricted for Qatar, Hospital,  
& Univ. Funds , 11%

**Total FY24  
Budget  
\$1,490,560**



# Fall Enrollment Decline



# Updated 2024 Budget

	Adopted	Proposed
<b>Tuition Increase</b>	<b>3%</b>	<b>3%</b>
	5% Salary Plan	7% Salary Plan (Dec. 10)
New Tuition & Fees	\$ 12,285	\$ 12,285
State 49% Salary Match	13,383	16,059
<b>Tuition and Salary Revenue Growth</b>	<b>25,668</b>	<b>28,344</b>
New Expense Needs	(50,216)	(58,422)*
<b>Net Position Before New State Funds</b>	<b>(24,548)</b>	<b>(30,078)</b>
	↓	↓
	-	<b>10,394</b>
	↓	↓
<b>Budget Reallocations</b>	<b>(24,548)</b>	<b>(19,684)</b>

**Other State Funding**  
 \$5.8M for Need-Based Financial Aid  
 \$2.5M for Massey  
 \$510k for Nursing Clinical Faculty  
 Funds for VDH Nurse Preceptor Program

*\*Includes extra 2% salary cost of \$5.4M & custodial contract of \$2.8M*

# Deferrals, Budget Cuts & Reallocations

## Virginia Military Survivors and Dependents Education Program (VMSDEP)

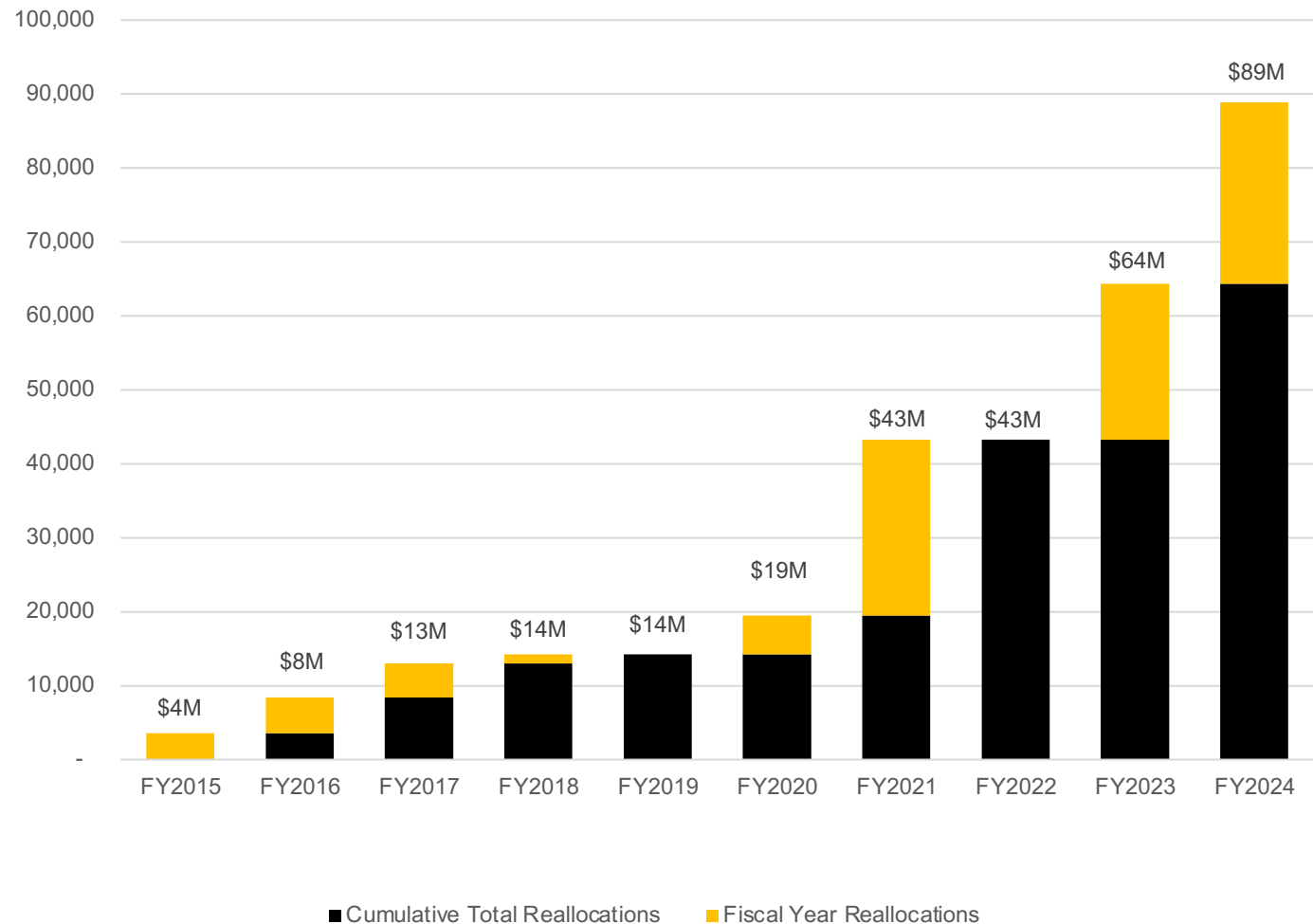
### Impacting student and faculty success

- Defer investment in faculty recruitment and retention
- Evaluate existing positions and contract renewals
- Continued salary inequities for tenure and non-tenured faculty
- Defer funds to enhance online program growth
- Defer funds for strategic cluster hires
- Academic Repositioning Task Force
- Program Productivity Analysis

### Administrative Impacts

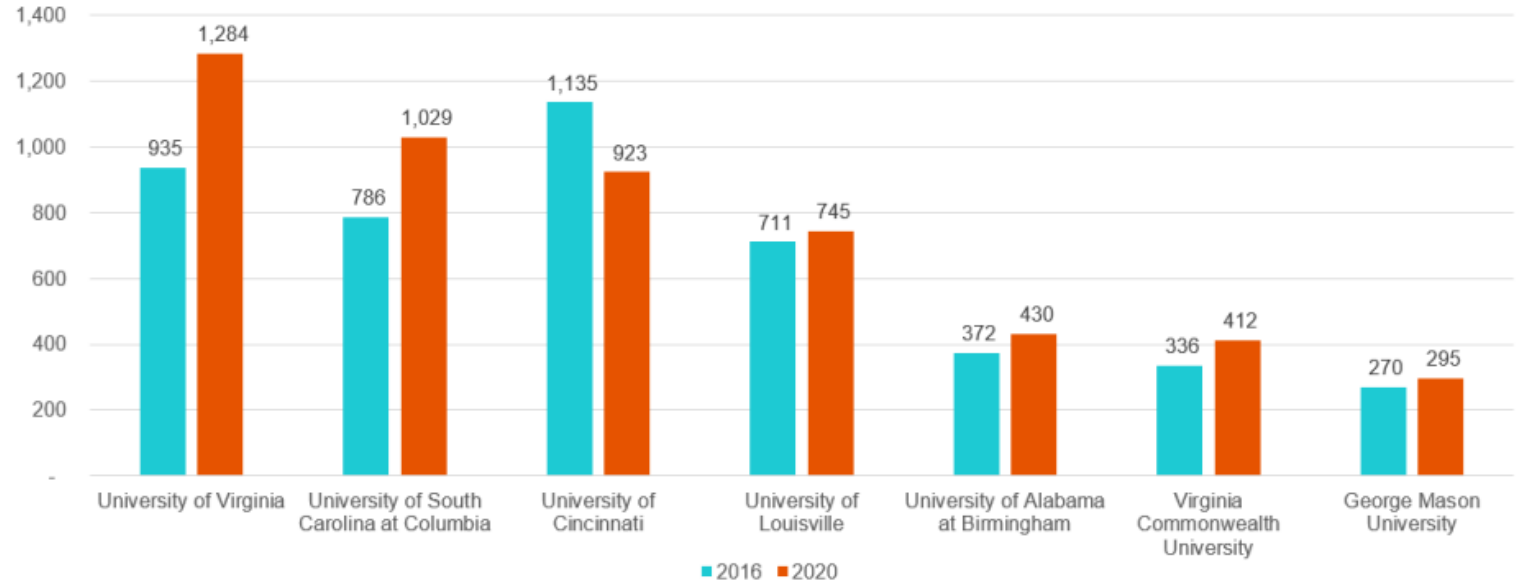
- No increased funding to support IT security needs
- Eliminated positions in Finance & Administration
- No permanent funds identified to support the marketing communications plan
- Unable to close a funding gap for the research strategic plan

## Cuts & Reallocations 2015-2024



# Management Staffing Levels

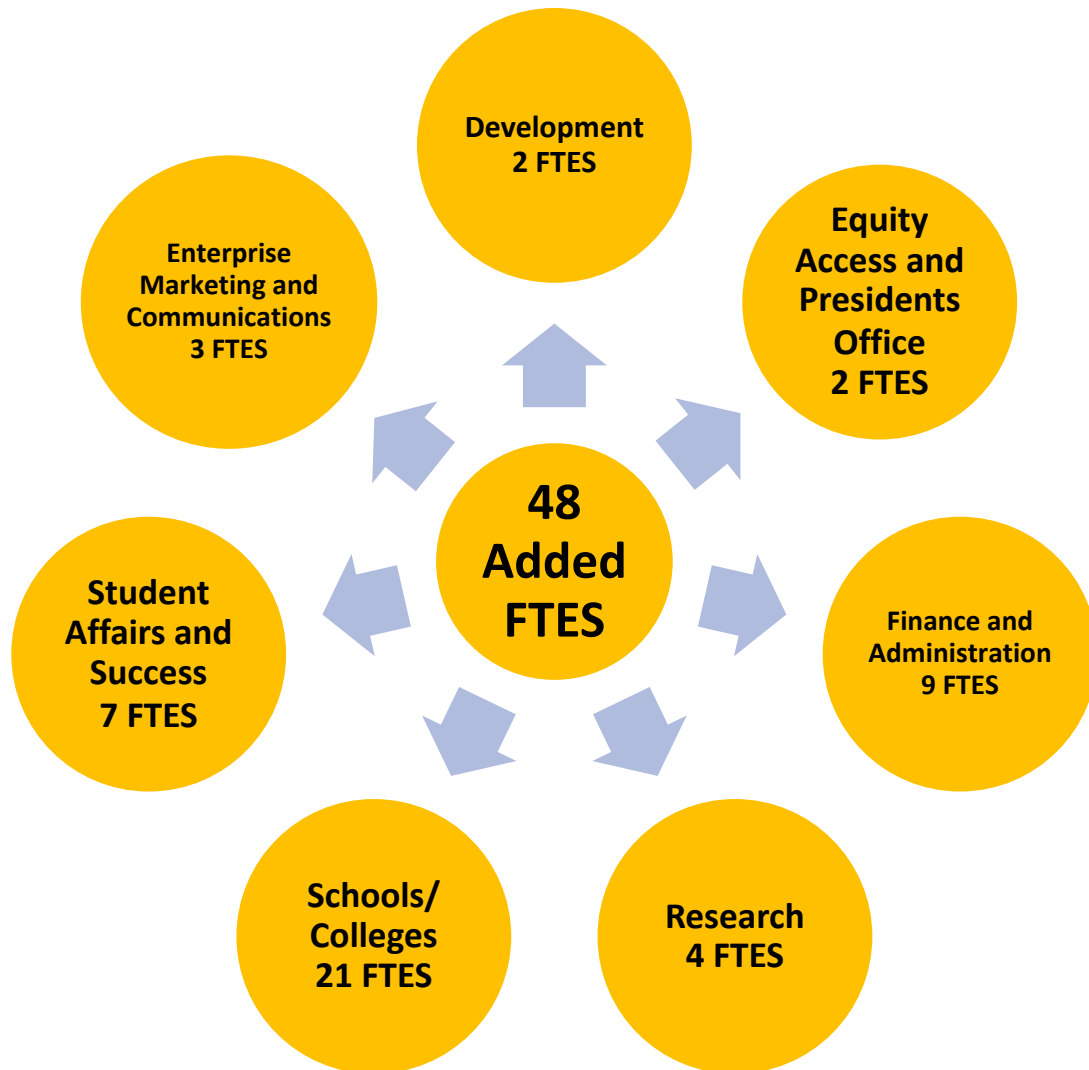
Change in Management Staffing (FTE) Between 2016-2020



Universities Reviewed	Percentage of Management Employees (FTE)/All Employees	Number of Students (FTE) per one Management Staff (FTE)
Virginia Commonwealth University	6%	66
George Mason University	6%	108
University of Alabama at Birmingham	5%	48
University of Cincinnati-Main Campus	13%	39
University of Louisville	12%	24
University of South Carolina-Columbia	16%	35
University of Virginia	13%	21
Mean	11%	46
Median	12%	37

Percentage of 2020 Management Employees (FTE) to All Employees (FTE) and Student FTE

# VP Levels for Added Management Positions



- From 2016 to 2020, VCU established 48 new management positions.
- New management position growth was evenly distributed across the institution:
  - 21 positions new to the Schools and Colleges
  - 9 positions new to finance and administration
  - 7 positions new to Student Affairs and Student Success
  - 11 positions new to development, University Relations, Research, and Equity Access and Presidents Office
- New positions represent a growth in 14% over 4 years
- These positions were added to support new programs, reorganizations, and strategic priorities such as academic advising, student financial aid and research leadership.

# Capital Funding

The university receives several types of funding from the Commonwealth for capital projects:

- 50% to 100% of Instructional buildings
- 50% (approximately) of research buildings
- Various allocations for maintenance reserve to fund maintenance and repairs on our existing buildings.

**Funds must be used for capital projects. None of this funding can be used for day to day operations, instruction or administration.**



STEM Building  
\$124.5M (100% State  
Funded)



Arts and Innovation  
Building \$253M (91%  
State Funded)



# Budget Challenges Overview

- Inflation Driving Increased Costs for Utilities, Supplies, & Services
  - State Support is Focused on Tuition Affordability and Not Funding Inflationary Costs for University Operations
- Unfunded or Underfunded State Mandates
  - Virginia Military Survivors & Dependents Education Program (VMSDEP)
    - Mandatory participation for all public universities that is not funded by the State
    - Expanding eligibility has increased cost to VCU from \$291K in 2007 to over \$11.8M in 2023
  - State Mandated Salary Increases
    - The State has mandated 5% salary increases for 3 years
    - The State provides 49% of the increase leaving VCU with a total cost of nearly \$41.3M for FY's 2022, 23 & 24
- Growing Academic Needs & Restructuring
  - Online Scaling, Curriculum Innovation, Quality Enhancement Plan, Cluster Hires
- Faculty Salary Inequities
- History of declining enrollment

# Role of VCUHS

- The VCU Health System is a separate authority.
  - Accounting standards require their reporting as a component unit on the face of our financial statements.
- Operating service agreements (OSA):
  - Agreement for the reimbursement for shared services
  - Safety, security, audit, parking, development, enterprise marketing and communication, telecommunications, and various other services
- Clinical, educational and research services agreements (CERSA)
  - Agreement between some of the schools (Medicine, Massey, Dentistry, Etc.) and the hospital
  - Provide support for clinical, educational and research activities that support the hospital
- Outside of these arrangements, their resources are not available to be used for the university's operating needs.