

RADFORD UNIVERSITY

Board of Visitors

BUSINESS AFFAIRS AND AUDIT COMMITTEE

10:15 A.M.

SEPTEMBER 8, 2022

**MARY ANN JENNINGS HOVIS MEMORIAL BOARD ROOM
MARTIN HALL, THIRD FLOOR, RADFORD, VA**

DRAFT MINUTES

COMMITTEE MEMBERS PRESENT

Mr. Marquett Smith, Chair
Mr. Robert A. Archer, Vice Chair
Dr. Debra K. McMahon, Rector
Ms. Lisa Throckmorton

COMMITTEE MEMBERS ABSENT

Ms. Jennifer Wishon Gilbert
Mr. Mark S. Lawrence

BOARD MEMBERS PRESENT

Ms. Jeanne S. Armentrout
Dr. Rachel D. Fowlkes
Mr. George Mendiola, Jr.
Mr. David A. Smith
Ms. Georgia Anne Snyder-Falkinham
Mr. James C. Turk

OTHERS PRESENT:

Dr. Bret Danilowicz, President
Ms. Karen Castele, Secretary to the Board of Visitors and Special Assistant to the President
Mr. Jorge Coartney, Associate Vice President for Facilities Management
Ms. Stephanie Jennelle, Interim Vice President for Finance and Administration
Dr. Angela Joyner, Vice President for Economic Development and Corporate Education
Ms. Margaret McManus, University Auditor
Mr. Mike F. Melis, Senior Assistant Attorney General, Commonwealth of Virginia
Ms. Laura Quesenberry, Interim University Budget Director
Mr. Barry Schmitt, Principal Financial Advisor, CAPTRUST

CALL TO ORDER

Mr. Marquett Smith, Chair, formally called the meeting to order at 10:15 a.m. in the Mary Ann Jennings Hovis Memorial Board Room. Mr. Smith welcomed everyone to the September meeting of the Business Affairs and Audit Committee.

APPROVAL OF AGENDA

Mr. Smith asked for a motion to approve the September 8, 2022 meeting agenda, as published. Ms. Lisa Throckmorton, so moved, Mr. Robert Archer, seconded, and the motion carried unanimously.

APPROVAL OF MINUTES

Mr. Smith asked for a motion to approve the minutes of the April 28, 2022 meeting of the Business Affairs and Audit Committee, as published. Ms. Throckmorton so moved, Mr. Archer seconded, and the motion carried unanimously.

ACTION ITEMS

Recommendation for Approval of Adoption of Sole Recordkeeper for the Radford University Supplemental 403(b) Plan

Interim Vice President for Finance and Administration Stephanie Jennelle and Mr. Barry Schmitt, Principal Financial Advisor with CAPTRUST, presented an overview of the University's 403(b) Supplemental Plan analysis and review of current vendors. Ms. Jennelle further presented the recommendation by the Retirement Administrative Committee to select TIAA as sole recordkeeper. Mr. Smith asked for a motion to recommend the selection of TIAA as sole recordkeeper, as presented, to the full Board for approval. Ms. Throckmorton so moved, Mr. Archer seconded the motion, and the motion carried unanimously. A copy of the proposed resolution is attached hereto as *Attachment A* and is made a part hereof.

Recommendation for Approval of Radford University's 2022 Six-Year Plan

Interim Vice President for Finance and Administration Jennelle presented the updated 2022 Six-Year Plan and reported that Radford University's Six-Year Plan was updated to reflect the status of existing strategies based on institutional priorities and legislative action during the 2022 General Assembly Session. Comments regarding the University's 2022 Six-Year Plan updates are anticipated to be received in September 2022. Once received, the University will need to respond to any questions and resubmit the final plan to SCHEV by October 11, 2022. Mr. Smith asked for a motion to recommend the updated Radford University 2022 Six-Year Plan, as presented, to the full Board for approval. Mr. Archer so moved, Ms. Throckmorton seconded the motion, and the motion carried unanimously. A copy of the proposed resolution is attached hereto as *Attachment B* and is made a part hereof.

Recommendation for Approval of the Radford University 2022-23 Operating Budget

Interim Vice President for Finance and Administration Jennelle presented the 2021-22 Financial Performance Report, which included a review of year-end financial activity as of June 30, 2022, and the 2022-23 Proposed Operating Budget for Board consideration. Mr. Smith asked for a motion to recommend the 2022-23 Operating Budget, as presented, to the full Board for approval. Ms. Throckmorton so moved, Dr. Debra K. McMahon seconded the motion, and the motion carried unanimously. A copy of the proposed resolution is attached hereto as *Attachment C* and is made a part hereof.

REPORTS

University Auditor's Report

University Auditor Margaret McManus presented oral reports related to auditor independence, the internal quality assurance program and the quarterly review of the University Discretionary Fund. She also reviewed a list of reports related to prior and projected Office of Audit and Advisory Services activity and presented two Information Technology audit reports and a follow-up audit status report

Capital Projects Update

Interim Vice President for Finance and Administration Jennelle provided an update on capital projects currently in progress. These projects included the Artis Center for Adaptive Innovation and Creativity, Combined Heat and Power/Co-Generation Facility, and Tyler and Norwood Hall Renovations.

CLOSED SESSION

Mr. Smith requested a motion to move into closed session. Mr. Archer made the motion that the Business Affairs and Audit Committee convene a closed session pursuant to Section 2.2-3711 (A) Items 7 and 8 under the Virginia Freedom of Information Act for consultation with legal counsel and briefings by staff members pertaining to actual or probable litigation and consultation with legal counsel regarding specific legal matters requiring the provision of legal advice, more specifically relating to Radford University Facilities. Ms. Throckmorton seconded the motion. The Business Affairs and Audit Committee meeting went into closed session at 11:15 a.m.

RECONVENED SESSION

Following closed session, public access to the meeting was reconnected. Mr. Smith called the meeting to order at 11:30 a.m. On the motion made by Mr. Smith and seconded by Dr. McMahan, the following resolution of certification was presented.

Resolution of Certification

BE IT RESOLVED, that the Radford University Business Affairs and Audit Committee certifies that, to the best of each member's knowledge (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the Committee.

<u>Roll Call</u>	<u>Vote</u>
Mr. Robert Archer	Yes
Ms. Lisa Throckmorton	Yes
Rector Debra McMahan	Yes
Chair Marquett Smith	Yes

2022-2023 GOALS

Ms. McManus presented goals for fiscal year 2023 for the Office of Audit and Advisory Services. Interim Vice President Jennelle presented goals for fiscal year 2023 for the Division of Finance and Administration.

ADJOURNMENT

With no further business to come before the committee, Mr. Smith adjourned the meeting at 11:50 a.m.

Respectfully submitted,

Pamela Fitchett
Administrative Assistant to the
Vice President for Finance and Administration
and Chief Financial Officer

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs & Audit Committee
September 8, 2022

Action Item

Adoption of Sole Recordkeeper for the Radford University Supplemental 403(b) Plan

Item:

Adoption of Sole Recordkeeper for the Radford University Supplemental 403(b) Plan.

Background:

The University currently offers employees access to invest in a voluntary supplemental deferred savings plan (403(b)) as a workplace benefit. The Investment of Employee Benefit Funds Policy, approved April 2021, for Radford University provides policy direction and procedural guidelines for the selection, management, and ongoing monitoring of investment options with respect to the employee benefit plan. Currently, this policy only applies to the Radford University Supplemental 403(b) Plan. Additionally, the Retirement Administrative Committee was established to serve as the investment fiduciary.

With the establishment of the policy and Committee, the University has taken a more proactive role in the management of the 403(b) Plan to ensure it meets the needs of employees. Management of the plan includes selecting and monitoring the investments and vendors (i.e. recordkeepers) offered to plan participants. The Committee, in partnership with CAPTRUST, an independent, objective retirement plan consultant, has been working to streamline vendors, while continuing to offer investment choices to plan participants.

CAPTRUST conducted a comprehensive review to analyze the current vendor structure, fund menu design, investment and administrative fees, education offerings and trends in higher education. Upon conclusion of the review, the Committee recommends for Board action the adoption of a sole recordkeeper for the Radford University Supplemental 403(b) Plan. Additionally, Teachers Insurance and Annuity Association of America (TIAA) is the recommended recordkeeper.

As the sole recordkeeper for active participants of the 403(b) plan, TIAA offers low fees, open investment architecture, and provides robust and engaged educational offerings. By offering one recordkeeper, the University is able to streamline administrative responsibilities and actively focus on ensuring employees are receiving necessary support and attention to address their retirement goals.

Action:

Radford University Board of Visitors adoption of Sole Recordkeeper, TIAA for the Radford University Supplemental 403(b) Plan.

Radford University Board of Visitors

RESOLUTION

**Adoption of Sole Recordkeeper for the Radford University Supplemental 403(b) Plan
September 8, 2022**

Adoption of Sole Recordkeeper for the Radford University Supplemental 403(b) Plan;

WHEREAS, the Board of Visitors of Radford University has overall responsibility with respect to the employee Supplemental 403(b) Plan sponsored by Radford University; and

WHEREAS, the Investment of Employee Benefit Funds Policy for Radford University (University) provides policy direction and procedural guidelines for the selection, management, and ongoing monitoring of investment options with respect to the employee benefit plan; and

WHEREAS, the Policy establishes the roles and responsibilities of the Retirement Administrative Committee as investment fiduciary and the Investment Consultant/Advisor who assists in the fulfillment of the Committee's duties; and

WHEREAS, the Retirement Administrative Committee recommends for Board approval the adoption of a sole recordkeeper, TIAA, for the Radford University Supplemental 403(b) Plan; and

NOW THEREFORE, BE IT RESOLVED that the Radford University Board of Visitors does hereby officially adopt TIAA as the sole recordkeeper for the Radford University Supplemental 403(b) Plan.

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs & Audit Committee
September 8, 2022

Action Item
Approval of Radford University's 2022 Six-Year Plan

Item:

Board of Visitors approval of Radford University's 2022 Six-Year Plan as required by § 23.1-306.

Background:

In response to the requirements outlined in § 23.1-306 of the Code of Virginia, attached is a copy of Radford University's updated 2022 Six-Year Plan (Part I and Part II) submitted to the State Council of Higher Education for Virginia (SCHEV) by the stated deadline of July 11, 2022.

The deadline for this submission has historically been July 1st, but due to timing of the approved 2022-24 State biennial budget the Six-Year Plan deadline was extended to July 11, 2022.

As a mandate established through the “*Preparing for the Top Jobs of the 21st Century: The Virginia Higher Education Act of 2011*” (TJ21) legislation, governing boards of each public institution of higher education shall develop and adopt biennially and amend or affirm annually a six-year plan for their institution. This requires the plans to be submitted to the State Council for Higher Education of Virginia by July 1 of each odd-numbered year and requires any amendments or affirmations to existing plans to be submitted by July 1 of each even-numbered year.

The instructions and template to complete the six-year plan are usually provided by SCHEV in late spring. Due to this timeline, the University has historically submitted the plan, to SCHEV by the July deadline and then presented to the Board for approval at the next scheduled meeting which is usually held in September. In July, State representatives will review the plans submitted by each institution and provide comments in early September for all institutions to respond with updates or revisions, as appropriate, by October 1st. This process was once again followed for the 2022 Six Year Plan submission.

The original strategies identified in the University's 2021 Six Year Plan and carried forward to the 2022 Six Year Plan were developed collaboratively with each division through the annual budget development cycle. It is further supported by the University's Strategic Plan: *Embracing the Tradition and Envisioning the Future*. The academic strategies related to programmatic growth were developed by the Provost through the respective academic unit.

The plan was updated to reflect actual revenue for FY 2022 and revised estimates for FY 2023 and FY 2024. The presented tuition and fee increases are reflective of approved rates for FY2023 and estimated increases for FY2024. Approval of tuition and fees is the responsibility of the Board of Visitors and may be adjusted based upon factors such as incremental general fund support, legislative requirements, projected enrollment growth, and prioritization of strategies to implement.

Radford University's 2022 Six-Year Plan was updated to reflect the status of existing strategies based on institutional priorities and legislative action during the 2022 General Assembly Session. Comments regarding the University's 2022 Six-Year Plan update are anticipated to be received in September 2022. Once received the institution will need to respond to any questions and resubmit the final plan to SCHEV by October 1, 2022.

Action:

Radford University Board of Visitors approval of the Radford University 2022 Six-Year Plan.

RADFORD UNIVERSITY BOARD OF VISITORS
Resolution

Approval of Radford University's 2022 Six-Year Plan
September 8, 2022

WHEREAS, the Higher Education Opportunity Act of 2011 became effective July 1, 2011, and requires each public institution of higher education in Virginia to develop and submit an institutional six-year plan; and

WHEREAS, § 23.1-306 of the Act requires, “*The governing board of each public institution of higher education shall (i) develop and adopt biennially in odd-numbered years and amend or affirm biennially in even-numbered years a six-year plan for the institution; (ii) submit a preliminary version of such plan to the Council, the General Assembly, the Governor, and the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance no later than July 1 of each odd-numbered year; and (iii) submit preliminary amendments to or a preliminary affirmation of each such plan to the Council, the General Assembly, the Governor, and the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance no later than July 1 of each even-numbered year*”; and

WHEREAS, Radford University prepared a six-year plan in accordance with the requirements of the Higher Education Opportunity Act of 2011 and guidelines provided by the State Council of Higher Education for Virginia; and

WHEREAS, the University submitted the six-year plan to the State Council of Higher Education for Virginia by the stated deadline of July 11, 2022 for the 2022 submission; and

WHEREAS, the 2022 Six-Year Plan must be approved by the Board of Visitors prior to the October 1 final submission;

THEREFORE, BE IT RESOLVED the Radford University Board of Visitors approves the Radford University 2022 Six-Year Plan as presented in the format provided by the State Council of Higher Education for Virginia; and

BE IT FURTHER RESOLVED, that the University is authorized to revise the 2022 Six-Year Plan as required by State officials for final submission by the stated deadline.

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs & Audit Committee
September 8, 2022

Action Item
Approval of the Radford University 2022-23 Operating Budget

Item:

Board of Visitors approval of the Radford University 2022-23 operating budget.

Executive Summary:

Each year, the Vice President for Finance and Administration & Chief Financial Officer is responsible for presenting Radford University's projected annual operating budget to the Board of Visitors for the upcoming fiscal year. The 2022-23 operating budget was developed in consideration of projected enrollment levels, actions taken by the Governor and General Assembly during the 2022 session, Board-approved tuition and fee rates, the strategic goals of the University, and the economic outlook.

Since the rollout of the 2018-2023 Strategic Plan: *Embracing the Tradition and Envisioning the Future*, a conscious effort has been underway to align institutional resources in support of strategic plan objectives. The collaborative process of budget development has helped provide the framework for which all divisions review operating priorities and align their actions with strategic goals of the University. The information collected during this process is also instrumental in the development of the University's Six-Year Plan submission to the Commonwealth and further helps to frame the strategic direction of the institution.

The budget development process continues to be mindful of the impact on enrollment and services as the University transitions from a pandemic to endemic stage of COVID-19. While the unprecedented challenges of the pandemic are mostly behind, the University is cautiously mapping the path forward and remains focused on providing an environment for students to learn and engage safely in programs that prepare them for the future.

The Commonwealth's revenue forecast has remained strong, providing the Governor the ability to include significant investments to address funding for: tax relief for Virginian families, increase funding for law enforcement, support the development of lab schools, and multiple higher education initiatives, including increased funding for undergraduate financial aid and institution specific funding in the 2022 legislative session. Given the current stability of the Commonwealth's fiscal outlook, the amended 2022-23 biennial budget includes nearly a half billion in compensation increases, including a five percent pay raise for eligible state employees that was effective July 10, 2022. The budget also included a \$1,000 bonus for each eligible state employee effective November 1, 2022.

In 2022-23, the University will receive \$4.0 million to increase affordability. These investments are critical to ensure Virginia students have affordable access to education in high demand careers in the Commonwealth.

Giving full consideration to the aforementioned items, the 2022-23 operating budget demonstrates a conservative use of University resources. The proposed budget identifies key operating efficiencies that help to address mandatory and unavoidable cost increases while maximizing funding opportunities for strategic plan initiatives.

Six-Year Planning Processes and 2022-23 Budget Development:

The Virginia Higher Education Opportunity Act of 2011 (TJ21) was passed by the 2011 General Assembly and is based on recommendations from the Governor's Commission on Higher Education Reform, Innovation and Investment, which was formed through Executive Order No. 9 issued in March 2010. The TJ21 legislation requires institutions of higher education to prepare and submit a "Six-Year Plan" by July 1st each year in accordance with criteria outlined by the Higher Education Advisory Committee (HEAC).

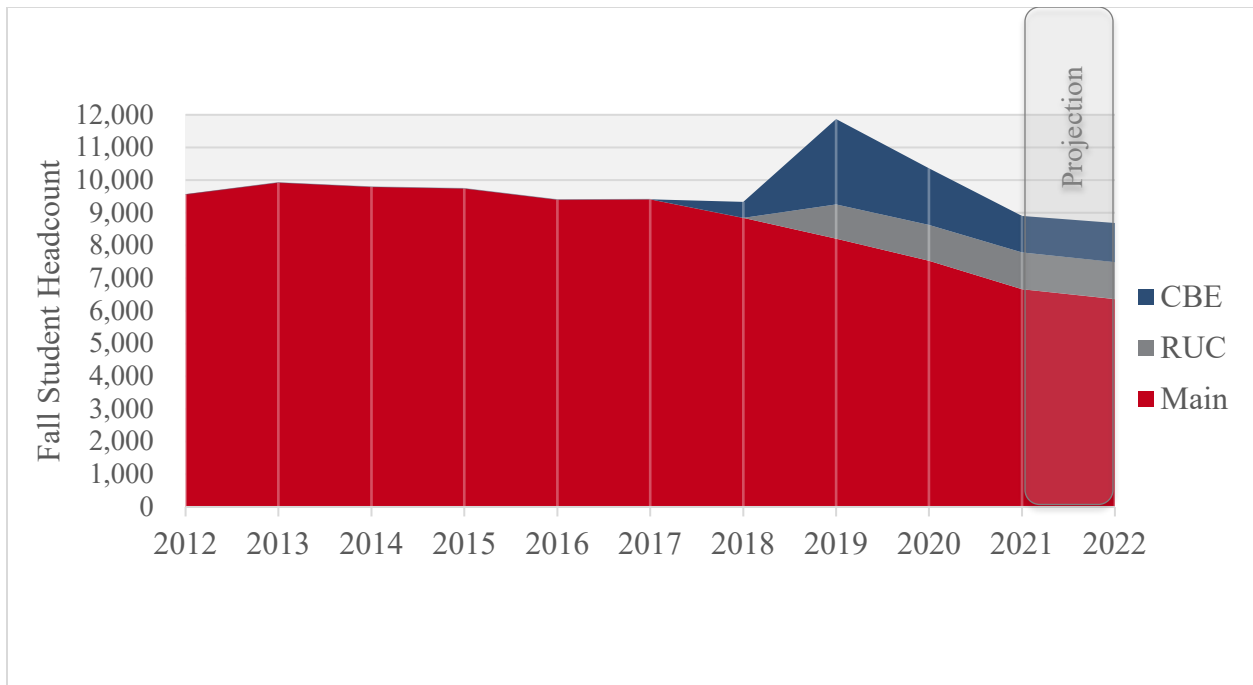
As an integral part of the six-year planning process, the University's internal annual budget development cycle provides the opportunity to reevaluate the essential needs for the upcoming fiscal year and outline divisional priorities for the outlying years. The budget development review engages key personnel, and provides a consistent mechanism to prioritize funding requests and strategically align the institution's long-range goals with projected resources.

The University submitted the updated preliminary 2022-24 Six-Year Plan to the State Council of Higher Education for Virginia (SCHEV) on July 11, 2022 and will submit the final plan after Board action on October 1, 2022. The University's Six-Year Plan identifies the targeted objectives and strategies to achieve both Virginia and institutional goals, and provides a foundation for preparing tuition and mandatory fee recommendations for consideration by the Board.

Enrollment Trend:

In Fall 2019, the University reached its highest total enrollment through success of the Competency Based Education program and the addition of Radford University Carilion (RUC) allied health programs. Since that time, there has been an overall decrease and significant shift in the mix of student classification between instructional level and modality. This shift in enrollment classification is illustrated in the following chart. The University remains focused on increasing undergraduate student enrollment through innovative transfer options, such as the Bridge Program, as well as increasing enrollment in high demand Health Sciences programs offered on both main campus and at RUC.

Enrollment for 2022-23 on main campus is conservatively projected just below prior year levels, mostly due to remaining effects of the COVID-19 pandemic. Enrollment for RUC is projected slightly higher than prior year levels even after a decrease in associate program offerings transferring to the Virginia Community College System.



Mandatory Cost Increases:

2022 General Assembly Session Action –

The 2022 General Assembly’s legislative session was largely focused on making strategic investments in the Commonwealth and providing relief to taxpayers. Governor Youngkin and the General Assembly made substantial investments in students from the Commonwealth by providing general funding to public institutions of higher education to maintain affordable access for in-state undergraduate students. Radford University’s share is \$4.0 million. Additional need-based financial aid for public institutions of higher education was also included, of which \$1.5 million is allocated for additional support to Radford University in 2022-23, as well as an increase in graduate fellowship funding of \$174,600. The approved budget supported employees through a five percent salary increase for all eligible state employees, including adjunct faculty and graduate teaching assistants, effective July 10, 2022.

The following schedule reflects funding from the 2022 General Assembly Session providing additional general fund support for the University in 2022-23:

2022-23 General Assembly Funding Summary

	2022-23
E&G - Educational & General	
2022-23 Affordable Access	\$2,661,000
2022-23 Affordable Access - Add'l	1,400,000
Employee Compensation Changes*	2,759,951
Minimum Wage Changes*	240,556
Fringe/Central System Changes*	552,781
Total E&G General Fund Recommendations	\$7,614,288
SFA - Student Financial Assistance	
In-State Undergraduate Financial Aid	1,503,500
Graduate Fellowships	174,600
Total E&G and SFA General Fund	\$9,292,388

Notes:

(*) Central Appropriation amounts are not included in the University's line item appropriation. Instead, they are held centrally by the state and allocated after the start of the fiscal year. For this reason, estimates have been provided.

Other Mandatory Costs –

In addition to the state-mandated items, the University must also address teaching and research faculty promotion and tenure contractual commitments, operation and maintenance of facilities, contractual escalators for technology and maintenance contracts, escalating utilities, and committed costs for previously approved projects. These initiatives, referred to as central cost commitments, combine to total \$1.7 million for the University.

To offset the projected enrollment levels, thirteen teaching and research positions that were held vacant as a result of employees accepting the 2021-22 Faculty Early Retirement Program were eliminated resulting in savings of \$1.7 million, along with an additional \$3.2 million in savings from internal realignments, efficiencies, and cost savings.

For additional details, Attachment I provides a further breakdown of the mandatory cost requirements.

Funding Sources and Cost Drivers:

Radford University main campus is very reliant upon general fund support due to the significant number of in-state undergraduate students served (92 percent as of Fall 2021). The cost share model identifies that the University's E&G program should be funded 67 percent from Commonwealth's general fund support and 33 percent through institutional nongeneral fund sources (i.e. tuition, E&G fees, etc.).

As demonstrated in Figure 1, the 2022-23 projected E&G general fund split is still below the Commonwealth's policy of 67 percent. The difference reflects funding of essential programmatic needs to support the University's in-state student population.

Figure 1: E&G General Fund Appropriation Historical Trend

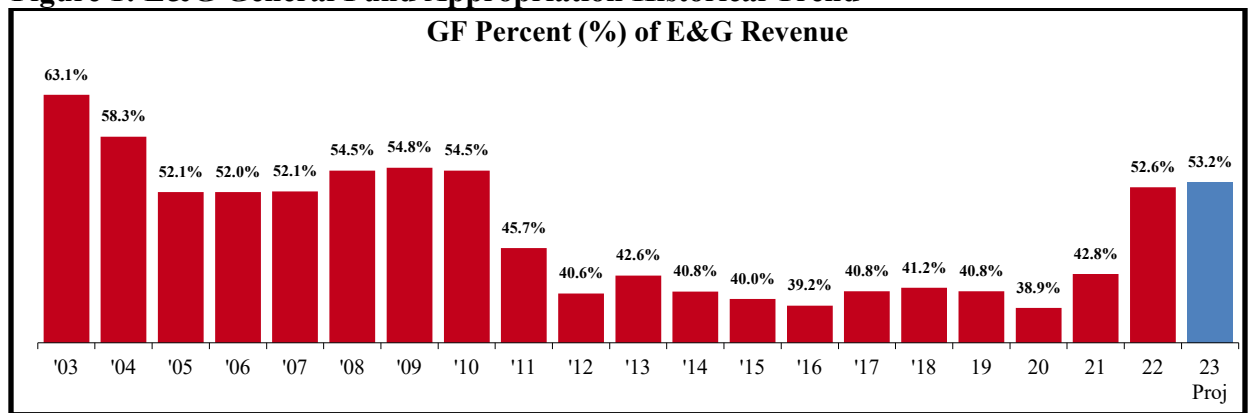
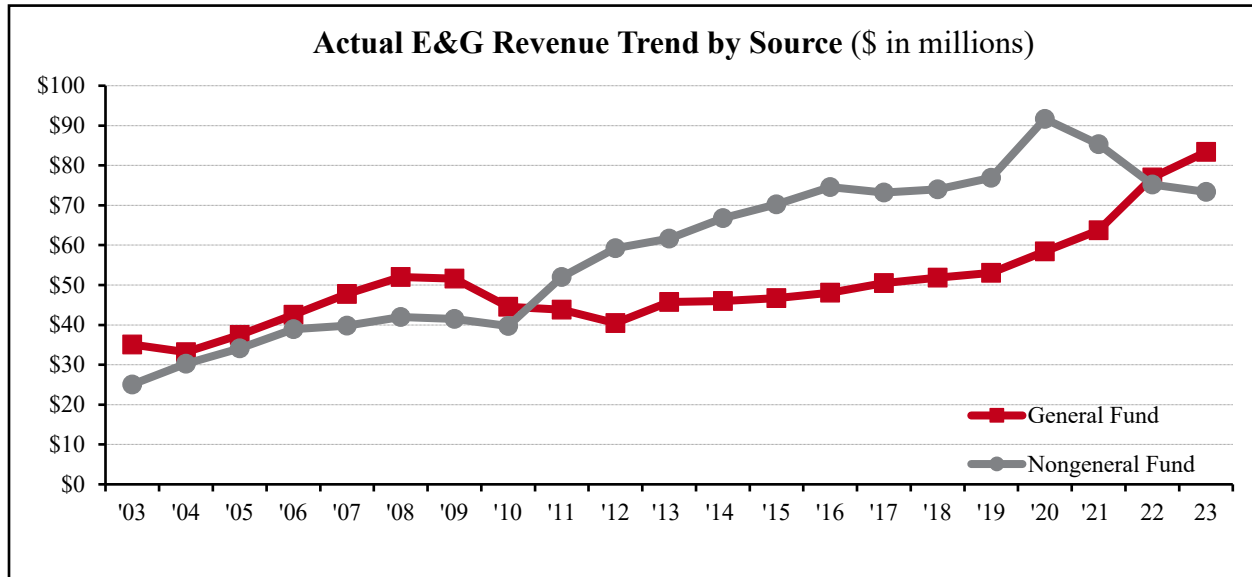


Figure 2 displays the E&G general fund and nongeneral fund trends between 2003 and 2023 (projected). In 2010, as a result of the economic downturn and the sustained loss of general fund support, students and their families began funding the majority of the cost of education. The increase in nongeneral funds for 2020 relates primarily to the merger with Jefferson College of Health Sciences and the related \$20.6 million in Tuition and Fee revenue associated with the new RUC site. There is also an increase in general funds related to the \$1.7 million allocation to RUC, as well as, an infusion of support for Tuition Moderation Funding and other mandatory cost increases. The most notable increase comes in 2022 with the historic \$10 million investment to equalize RUC tuition with main campus, along with \$2.9 million to maintain affordability on main campus.

Figure 2: E&G General Fund/Nongeneral Fund Split Historical Trend (Nominal Dollars)



Proposed Operating Budget:

2022-23 Projected Total Revenue

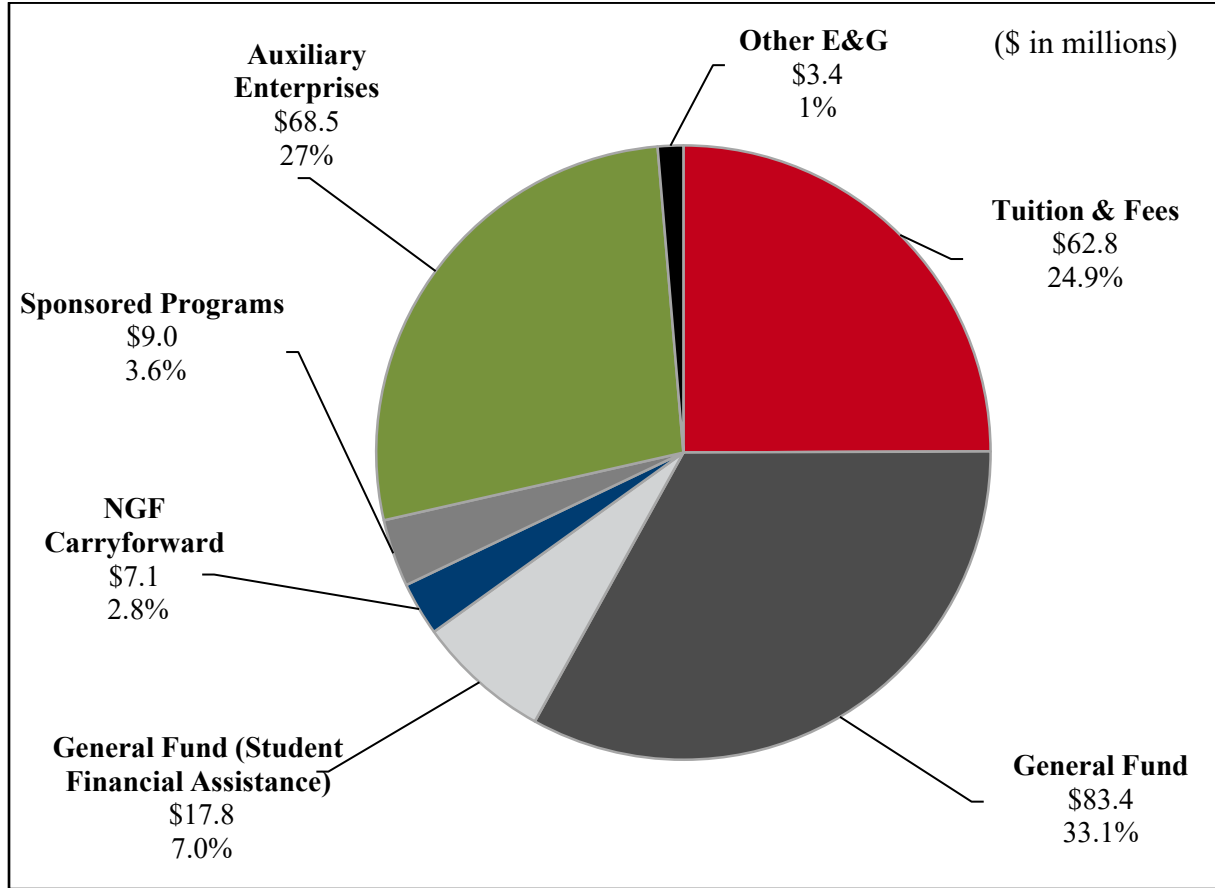
Radford University’s institutional budget is derived from two fund sources:

- **General Fund (GF)** – Virginia tax dollars (unrestricted), distributed through the Commonwealth’s budget process and documented through the Virginia Acts of Assembly (i.e. Appropriations Act).
- **Nongeneral Fund (NGF)** – tuition, mandatory (technology and comprehensive) fees, user (room and board) fees, other E&G and auxiliary enterprises fees, grants/contracts/research, federal student work study, and commissions (e.g. dining services, bookstore, laundry, etc.).

For fiscal year 2022-23 the University is projecting revenue of \$251.9 million. This reflects a 16.8 percent decrease from the 2021-22 Adjusted Total Budget. The decrease reflects the one-time infusion of pandemic relief funding in 2021-22, as well as a projected overall enrollment decline in 2022-23.

The majority of the University’s total operating budget (59.9 percent) is supported through nongeneral fund sources. The remaining 40.1 percent is supported through the general fund. Figure 3 displays the breakdown of projected revenue by major funding sources.

Figure 3: 2022-23 Projected Total Revenue (All Sources and Programs)



2022-23 Projected Total Expenditures

Expenditures are expected to total \$249.9 million for 2022-23. Projected expenditures are set less than projected revenues due to required Auxiliary Enterprises reserve fund deposits that must be generated to meet the SCHEV guidelines for operating, equipment renewal and replacement, and capital projects.

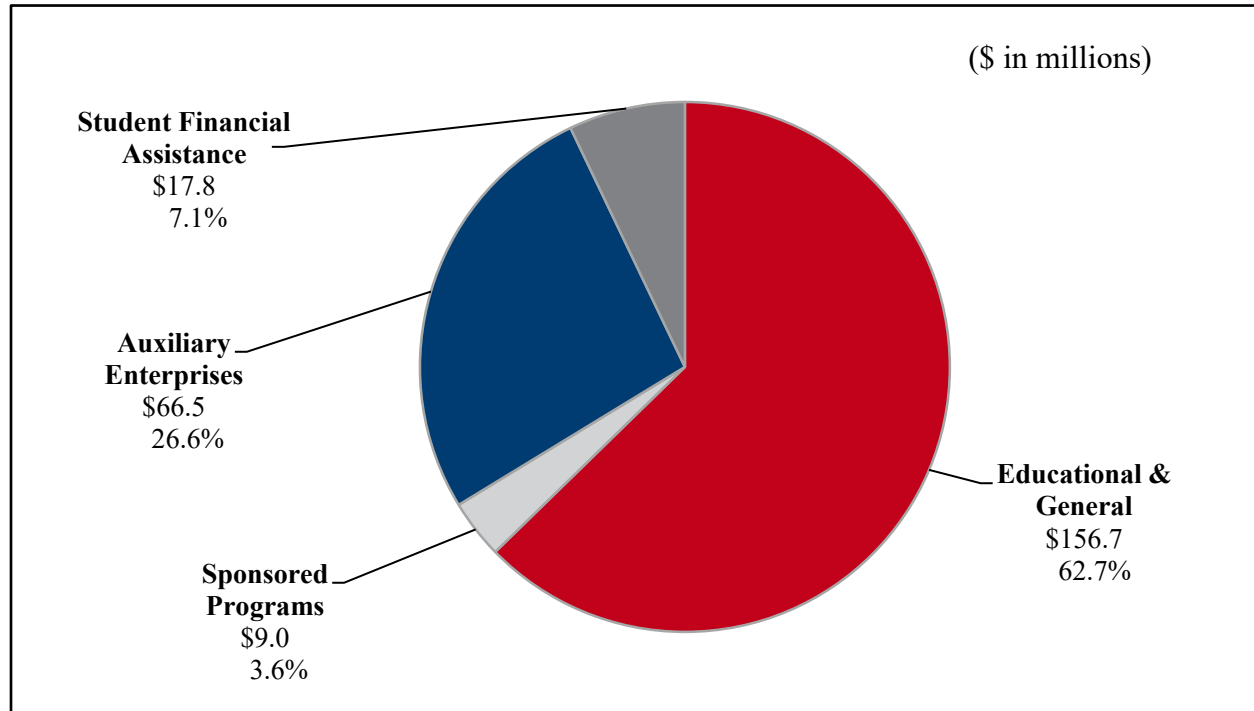
Figure 4 illustrates projected expenditures for each of the major programs which include:

- **Educational & General (E&G):** Activities to provide instruction, research, public service, academic support (e.g., library, deans), student support services (e.g., admissions, financial aid, registrar), and program support (e.g., administration, institutional support, physical plant) services.
- **Student Financial Assistance:** Activities to provide financial assistance to Virginia students.
- **Financial Assistance for Educational and General Services Program (Sponsored Programs, Grants and Contracts):** Activities to provide additional resources for educational and general services through third-party grants, contracts, and research.

- **Auxiliary Enterprises:** Self-supporting activities to provide goods or services to students, faculty, staff, and visitors (e.g. residence halls, dining services, bookstore, athletics, student activities, etc.).

The E&G program represents 62.7 percent of the expenditures budgeted while Auxiliary Enterprises accounts for 26.6 percent. The remaining 10.7 percent is split between Student Financial Assistance and Sponsored Programs.

Figure 4: 2022-23 Projected Expenditures by Major Program



Attachment I and Schedules A and B provide an overview of the University’s proposed 2022-23 operating budget by major program. Attachment I details the 2022-23 Funded E&G Initiatives by Division, Schedule A provides an overview of the 2022-23 Total University Operating Budget, and Schedule B reflects the 2022-23 Auxiliary Enterprise Budget by major program area.

The following is a narrative description by major program to complement the financial information presented in Attachment I and Schedules A and B.

Educational & General (E&G) Program –

The Educational and General (E&G) program supports instruction, academic support, libraries, public service, student services, institutional support, and operation/maintenance of the physical plant. The proposed 2022-23 E&G operating budget (base and one-time) totals \$156.7 million. The percentage of the E&G budget supported by general funds is projected to be 53.2 percent for 2022-23. The University is anticipated to receive \$7.6 million in new base general funds over the previous year for affordable access funding, and mandated salary

and minimum wage increases. Projected E&G nongeneral fund revenue is derived primarily from tuition and fees at \$62.8 million, a 2021-2022 nongeneral fund carryforwards of \$7.1 million, with all other E&G revenue totaling \$3.4 million.

Resource Allocations

During the April 2022 Board of Visitors meeting, programmatic priorities were outlined and incorporated into the proposed 2022-23 budget which is provided in Attachment I.

Student Financial Assistance Program –

Commonwealth support from the general fund is appropriated for scholarships and fellowships to undergraduate and graduate students. The authorized general fund appropriation for fiscal year 2022-23 is \$15.9 million, which is a \$1.7 million increase over fiscal year 2021-22. In addition to general fund support, the University continues to commit \$1.9 million from institutional nongeneral fund resources to support undergraduate need-based financial aid.

Financial Assistance for Educational and General Services Program (Grants/Contracts) –

The University receives external funding for grants and contracts from a variety of federal, state, private, and local sources. For fiscal year 2022-23, estimated annual activity for Sponsored Programs is projected at \$8.9 million.

Auxiliary Enterprises Program –

The Auxiliary Enterprises program supports student service activities such as residential life, dining, athletics, recreation, student health, and transportation. Funding for this program is generated from contract commissions and fees assessed to students and/or users. The Commonwealth requires Auxiliary Enterprises to be financially self-supporting. For this reason, general fund support and tuition revenue cannot be allocated to these activities.

For fiscal year 2022-23, the revenue budget for Auxiliary Enterprises is projected to be \$68.5 million. It should be noted that all auxiliary budgets were adjusted to account for projected revenue changes due to enrollment levels, salary and minimum wage increases, auxiliary indirect rate changes, and contractual commitments, as necessary.

It is projected that approximately 2.0 million will be generated in 2022-23 for reserve fund contributions which can be used for future debt service, maintenance reserve projects, and construction and/or renovation costs associated with future capital projects. The following are future considerations for auxiliary reserve balances: residence hall improvements, athletic complex renovations, equipment renewal and replacement, and land acquisition.

Action:

Radford University Board of Visitors approval of the 2022-23 operating budget as presented in Schedule A for Total Operating Budget and Schedule B for Auxiliary Enterprises.

RADFORD UNIVERSITY BOARD OF VISITORS
Resolution
September 9, 2022

Approval of the Radford University 2022-23 Operating Budget

BE IT RESOLVED, the Radford University Board of Visitors approves the fiscal year 2022-23 operating budget as presented in Schedule A for Total Operating Budget and Schedule B for Auxiliary Enterprises.

End of Board of Visitors Materials

