

# Report of the Chancellor

September 11, 2020



# University of Virginia's College at Wise

## FY 2020-21 Revised Operating Budget (in Millions)

<i>Sources/Uses</i>	2019-20	2020-21	2020-21	FY21 Original vs Revised	
	Approved	Pre-COVID	Revised	\$	%
<b><u>Sources</u></b>					
Net Tuition and Fees	\$ 9.6	\$ 9.6	\$ 9.5	\$ (0.1)	-1.0%
State Appropriations	22.3	22.3	21.3	(1.0)	-4.5%
Externally Sponsored Research	4.8	5.6	5.6	-	0.0%
Endowment Distribution/Admin Fee	3.8	4.4	4.4	-	0.0%
Expendable Gifts	0.7	0.5	0.5	-	0.0%
Sales, Services, Interest, Other	9.3	7.9	7.6	(0.3)	-3.8%
<b>Total Operating Sources</b>	<b>50.5</b>	<b>50.3</b>	<b>48.9</b>	<b>(1.4)</b>	<b>-2.8%</b>
<b><u>Uses</u></b>					
Faculty and Staff Salaries	28.5	26.6	26.5	(0.1)	-0.4%
Internal Recoveries	(1.4)	(0.4)	(0.4)	-	0.0%
Non-personal Services Expenses	17.5	17.7	16.4	(1.3)	-7.3%
Financial Aid	5.9	6.4	6.4	-	0.0%
<b>Total Uses</b>	<b>50.5</b>	<b>50.3</b>	<b>48.9</b>	<b>(1.4)</b>	<b>-2.8%</b>
<b>Total Sources and Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

# University of Virginia's College at Wise COVID-19 Expenses

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FY20 COVID Actual Expenses	\$451,334
FY21 COVID Incurred Expenses as of August	\$78,862
FY21 COVID Planned Expenses	\$1,067,658

# Budget Actions Taken To Balance Revised Budget

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## PERSONNEL ACTIONS

- Implement Hiring Freeze
- Implement Early Retirement Incentive Program

## FINANCE ACTIONS

- Fiscally Conservative while Protecting the Mission
- Scenario-based Budget & Enrollment Forecasting
- Auxiliary Debt Restructuring

## OTHER ACTIONS

- Reducing Discretionary Spending
- Utilizing CARES Act Funding
- Considered Enrollment and Capacity Implications

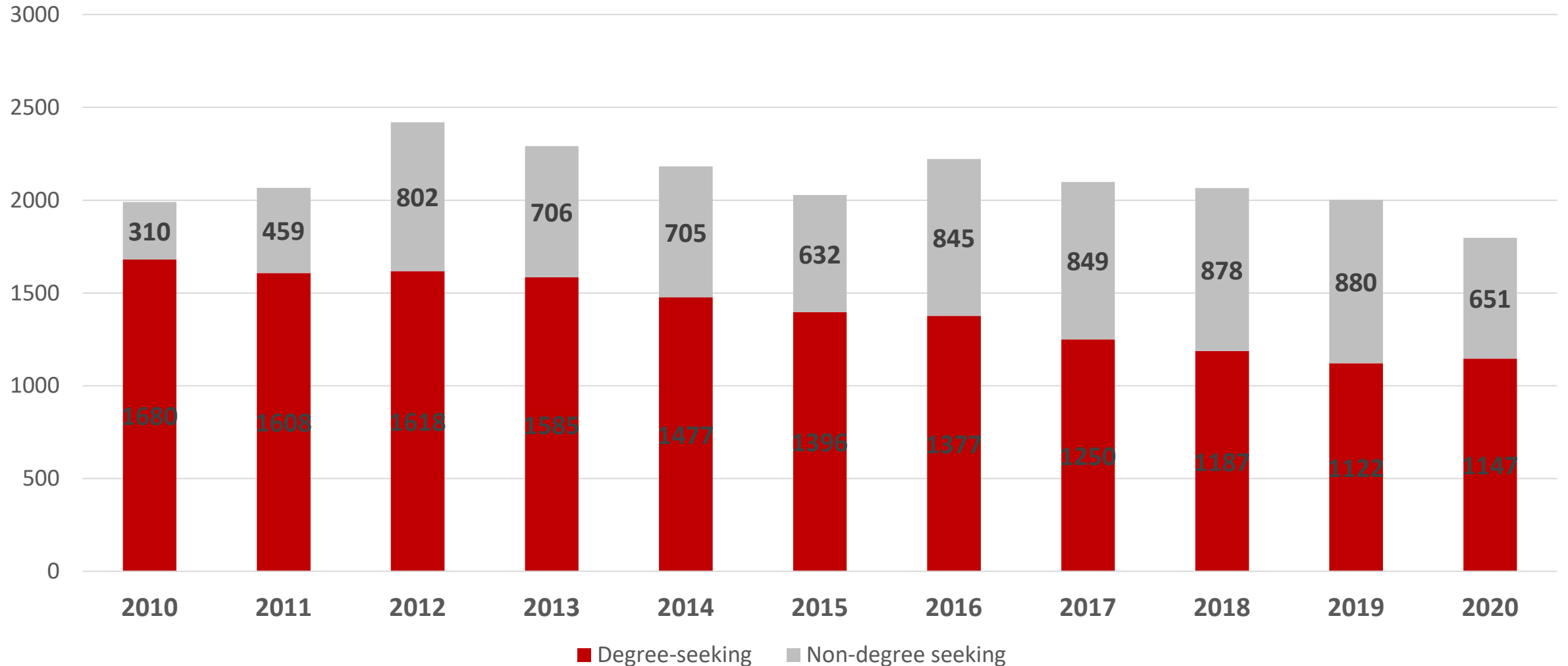
# Return to Wise: COVID-19 Response

- Public health and safety
- Academics
- Student testing prior to campus return
- Ongoing testing (students, faculty and staff)
- Student life



# UVA Wise Fall 2020 Enrollment

Degree-seeking and Non-degree Seeking Students



# UVA Wise's perceived strengths include its strong focus on teaching and affordability

## UVA Wise key strengths

### Teaching focus

- ▶ Strong **focus on teaching**, strengthened by small class sizes and **invested faculty members**
- ▶ STEM programs are viewed as particularly academically rigorous
- ▶ *"We have close student / faculty relationships and mentorship to facilitate development- employees are deeply invested in student outcomes"*

### Affordability and accessibility

- ▶ Relatively **affordable** compared to public and private peers, particularly with the new "Within Reach" program
- ▶ 70% of endowment funds are designated for scholarships, and over 80% of students receive some type of financial aid
- ▶ *"We offer a high quality liberal arts education with a public school price tag"*

### Leadership collaboration

- ▶ Strong **collaboration** between departments and a willingness to address strategic issues among leadership
- ▶ Strong participation among faculty and administration in various working groups to address strategic questions
- ▶ *"We had 37 people volunteer to be on the Strategic Planning Committee"*

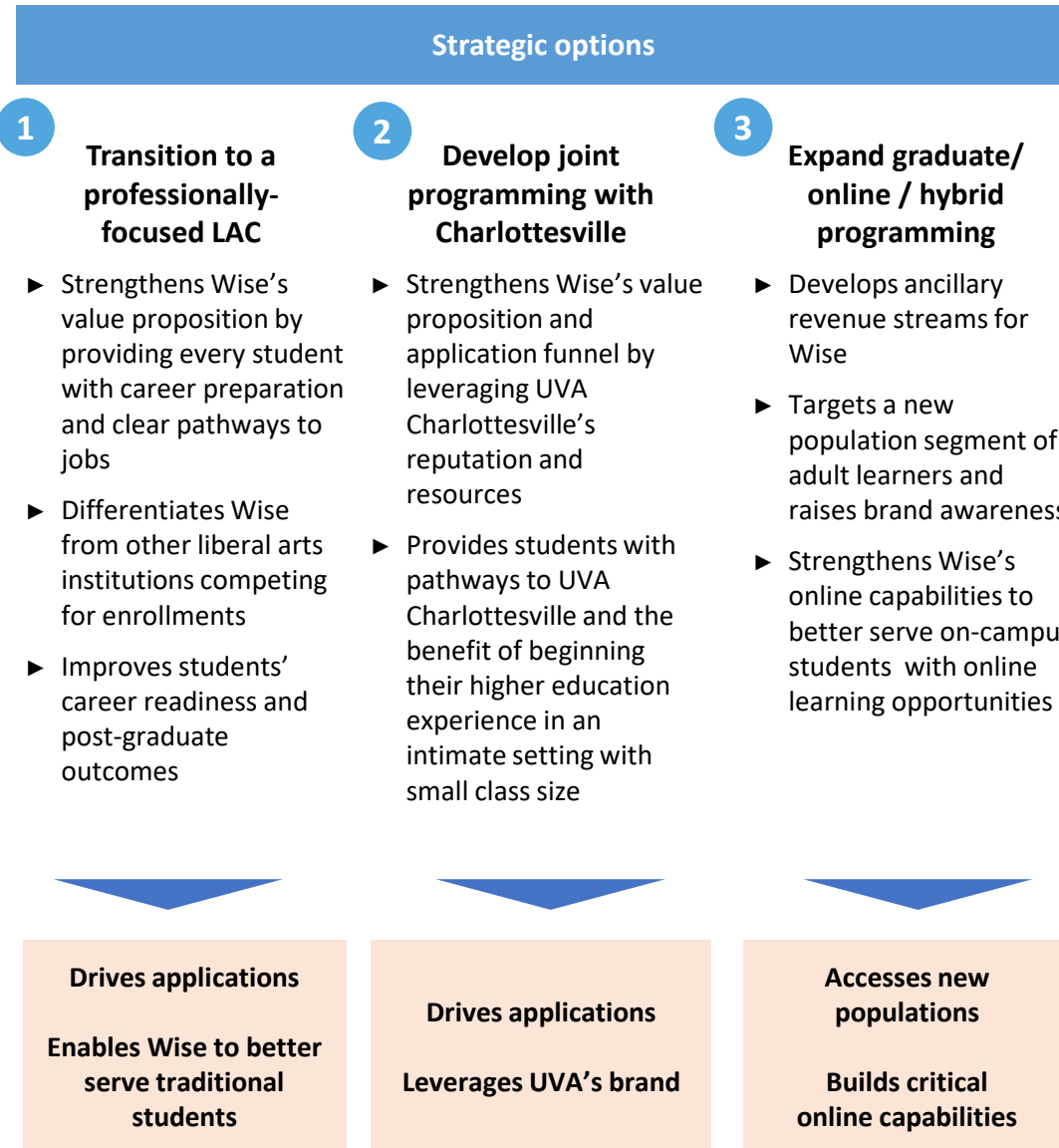
### UVA brand and support

- ▶ Many departments receive **expertise and extensive support** from counterparts at UVA (Advancement, Enrollment Management, etc.)
- ▶ *"It's a collaborative relationship and UVA is very open to deepening connection- whenever we reach out to UVA, something happens"*
- ▶ *"The UVA brand definitely helps us attract faculty"*

### State support

- ▶ **Continued support** from the state legislature for funding needs
- ▶ *"Wise has strong state support from legislators in their region, which is powerful in Richmond and attracts resources... There's a culture at Wise about not asking for things... so sometimes the legislators have their own ideas about the things for which funding is needed"*

# Three strategic options surfaced from first phase research





# Strategic option: Professional Liberal Arts College

1

**Vision:** Provide every UVA Wise undergraduate student with an experiential learning opportunity and four years of career exploration, preparation, and guidance

## Description: Key components

- ▶ **Guaranteed internship or experiential learning program** for students
- ▶ **Guaranteed continuing education program** for students who are not employed within 6 months of graduation: e.g., an extra semester or a short certificate program
- ▶ **Core curriculum** aligned to critical in-demand skill areas: e.g., graduation requirements that address in-demand life skills, such as quantitative reasoning, data science, technical writing
- ▶ **Career readiness modules** to prepare students for the job and internship search process: e.g., low or no credit pre-internship seminars, or interview and resume prep courses
- ▶ **Specialized pathways** to prepare students for existing high demand programs: e.g., additional developmental courses in high-demand majors with low persistence rates (e.g., software engineering)

## Implementation: Key considerations

- ▶ Increased career center capacity to support internship program
- ▶ Dedicated career center resources to developing employer relationships and face-to-face and remote work opportunities
- ▶ Student eligibility for internship and continuing education programs
- ▶ In-demand life skills and career readiness modules integrated into the curriculum

## Financial considerations

- ▶ Revenue drivers: Growth in applications and yield due to enhanced offering at UVA Wise and associated marketing
- ▶ Cost drivers: Increased career center capacity, course development and faculty costs associated with new core requirements, faculty resources to support developmental pathways
- ▶ UVA Wise estimated financial impact: Initial investment = ~\$1m. Annual steady-state surplus = ~\$2.4m

# Strategic option summary overview: Joint programming

2

**Vision:** Leverage UVA's brand by launching a 2+2 pathway program that expands UVA Wise's application pipeline and allow students to begin their college experience in an intimate setting

## Description: Key components

- ▶ **Size:** May need to cap program to avoid negative impact on Wise class culture
- ▶ **Admissions:** Identify UVA Charlottesville schools open to receiving transfers; determine admitting entity (Wise, Charlottesville, or both. Preference is for both); finalize standards for admission and requirements for remaining eligible (e.g., 3.2 GPA while at Wise)
- ▶ **Price:** Students pay Wise tuition for first 2 years and Charlottesville tuition for last 2 years. May be open to ARC students as well
- ▶ **Student support:** E.g., Access to alumni groups at UVA Charlottesville, offer housing support in Charlottesville, offer courses for students at Wise to prepare them for the academic rigor of UVA Charlottesville
- ▶ **Academic focus:** The program could focus on creating specific pathways that offer 2+2 Wise students access to academic programs available at UVA Charlottesville that UVA Wise does not offer (i.e. engineering)

## Implementation: Key considerations

- ▶ Likely requires centering program around a distinct value proposition or series of value propositions (e.g., small class sizes, specific programming) so that students view the program as more than just a gateway to Charlottesville
- ▶ Likely some potential for cannibalization of existing 4-year students, especially high-performing students

## Financial considerations

- ▶ Revenue drivers: Additional students and associated revenue from 2+2 cohort, limited to 40 students annually at scale
- ▶ Cost drivers: Minimal financial investment required unless UVA Wise chooses to develop additional programming
- ▶ UVA Wise estimated financial impact: Initial investment = minimal. Annual steady-state surplus = ~\$1.6m

# Strategic option summary overview: Graduate, Online/Hybrid Programming

3

**Vision:** Launch select programs in high-demand areas including expanding online / hybrid learning to reach non-traditional learners

## Description: Key components

- ▶ **Master's level** online or hybrid programs that tie to areas of high demand
- ▶ **Degree completion programs** that map to occupations with high regional demand and leverage existing Wise programming
- ▶ **Certificate programs** that are employer-linked skills training programs tied to specific regional jobs; Employer conversations would dictate potential programming but could include programs around IT skills like cloud computing or analytics

FY21

FY22

FY23

FY24

FY25

*Degree completions (software eng., accounting)*

*Certificates (ideally in partnership with regional employers)*

*RN to BSN*

*MSN FNP*

## Implementation: Key considerations

- ▶ Building online capability will likely require an outsourced provider (Online Program Manager or OPM), which would in turn require leveraging UVA Charlottesville's current relationships with OPMs
- ▶ Online programs can take 2-4 years to reach scale and program launches would likely need to be phased in over time, delaying financial benefit
- ▶ Potential for some brand confusion between on-campus and online offerings

## Financial considerations

- ▶ Revenue drivers: Increase in enrollment and associated revenue (tuition, fees) in addition to the non-revenue value of providing an educational service to a broader population set in the community
- ▶ Cost drivers: Administrative personnel (e.g., VP of Online Learning), instructional faculty, OPM revenue share
- ▶ UVA Wise estimated financial impact: Initial investment = ~\$1.5m. Annual steady-state surplus = ~\$350k

# UVA Wise Strategic Planning Progress Report

## Strategic Pillars

- Excellence in Educational Opportunity
- Culture of Investment in Individual Growth
- Impact through Collaborations and Partnerships
- Pursuit of Resources to Sustain Excellence

## Emerging Themes

- ❖ Sense of Place
- ❖ Sense of Identity
- ❖ Sense of Community

