



# Longwood University Operating Budget and Plan

FY 2024-25

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## 2024-25 Plan Highlights

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This section provides an overview of the University's Fiscal Year 2025 operating budget. Detailed budget information is provided in the supporting tables. Highlights of the proposed plan are presented below.

### Continued Strong State Funding

This year, the General Assembly met in a combination of regular and special sessions that began January 10, 2024, and ended in May 2024. The General Assembly approved all of the Governor's recommended changes to the budget on May 13, 2024.

### Minimal Tuition Increase Coupled with Spending Guardrails

For FY 2025, tuition is proposed to increase 2.02%, along with associated fee increases. These changes cover inflationary costs, debt service expenses, and costs associated with base salary and benefit increases.

The projected institutional budget for FY 2025 is \$147,130,808 which excludes \$9,697,449 in state appropriation for student financial assistance.

The Educational and General Programs budget, which includes both general and non-general funding sources, is composed primarily of expenditures and revenues in the Instructional programs. The total planned expenditure for FY 2025 is \$87,134,734.

In FY 2025, Longwood will contribute \$107,500 to fund faculty promotions.

### Auxiliary Services

The second major component of the University's total budget is Auxiliary Services, which includes activities such as student housing, dining services, parking and athletics. The proposed Auxiliary Services budget for FY 2025 is \$59,996,074.

### Assessment Committee Priorities

The work of the Assessment Committee of the University Planning Council identified four items through campus-wide assessment work. These items were endorsed by the Finance Committee of the University Planning Council, with funding planned from existing sources in FY 2025 operating budgets. The four items include, \$12,000 for the ProtoCall mental health application for our Counseling and Psychological Services department; \$2,500 in one-time funding for Graduate Studies to train its employees in DocFinity and convert five of their forms to electronic forms; \$10,500 in one-time funding to further DocFinity training for new staff to work with campus partners on implementing the system; and lastly \$8,200 in annual funding to implement a new registration system for non-credit classes and workshops, which will allow Professional Studies to become a Virginia Department of Education approved Career Switcher site.

## 2024-25 General Assembly

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The state appropriations amounts included in this operating plan assume Longwood's current total Educational and General (E&G) appropriation of \$2,500,000 for in-state student access and affordability. This operating plan assumes The Department of Planning and Budget will provide a central adjustment of \$1,078,283 in FY 2025. This adjustment is due to the classified salary increase of 3%, benefit, health insurance increases, and other miscellaneous adjustments that will occur in FY 2025.

### Financial Aid

General fund support for student financial assistance in FY 2025 has been increased by \$1,338,634 for a total of \$9,697,449. Longwood University will also receive an additional \$850,000 in financial aid from the Commonwealth.

### Southside Virginia Regional Technology Consortium

Funding is expected to be level at \$108,905 for the SVRTC in FY 2025.

### Sponsored Programs

Longwood University's sponsored programs are estimated at \$5,678,393 for FY 2025 which remains equal to FY 2024.

### Higher Education Equipment Trust Fund

Funding for the FY 2025 Equipment Trust Fund (ETF) program of \$743,433 in general fund will be appropriated to Longwood. This is unchanged from the previous year.

### Out-of-State Capital Fee

Out-of-state students are required to pay 100% of the average cost of their education. Additionally, non-resident students will pay \$23 per credit hour as a mandatory capital fee. The amount of capital fees that will be paid by the University to support state capital project debt service on bonds issued under the 21st Century Program remains unchanged at \$106,149.

### Capital Projects

Longwood's Maintenance Reserve funding for FY 2025 is \$2,442,242.  
Facilities Annex Building estimated completion in December 2024.  
Wygal Hall Replacement Building to start the construction phase with estimated completion date of 2027.

## 2024-25 Educational and General Program Priorities

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The University's 2024-2025 Educational and General budget is based on priorities that support the strategic plan. After carefully examining the revenue projection for FY 2025, and evaluating requests from institutional areas, funds were allocated for strategic initiatives. The recommended expenditures include funds for the following:

- Quality Enhancement Plan
- Faculty Promotions
- SEED Innovation Hub
- Technology Infrastructure
- BOND Program

# 2024-25 Auxiliary Services Program Priorities

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The University's 2024-2025 Auxiliary Services budget is based on the program priorities listed below. Auxiliary activities are required to be self-supporting and must maintain sufficient fund balances for operations, equipment replacement and maintenance reserves. The Board of Visitors approved housing and dining rate increases on December 1, 2023. Comprehensive fees are proposed and will be approved at the Board of Visitors meeting in June.

## Auxiliary Indirect Cost Rate

The Auxiliary Services operations are charged an indirect cost recovery rate for services provided by educational and general operations (such as payroll processing, purchasing, billing services, and facilities administration). The auxiliary cost study is submitted to SCHEV prior to the beginning of each biennium. The indirect cost rate for the 2024-2026 biennium is 12.27%. This is a 1.33% decrease from the prior biennium.

## Housing & Dining

Combined, Housing and Dining are self-supporting operations and contribute to any needs in comprehensive fee budgets.

## Comprehensive Fee Budgets

The comprehensive fee is used to support many auxiliary programs and services including intercollegiate athletics, recreation and intramural programs, the student union, student health and wellness services, debt service, and repair and maintenance on non-general fund supported facilities. Specific examples for FY 2025 include:

- Follet Partnership Transition
- NCAA Transformation Committee Recommendations
- Auxiliary Maintenance Reserve Fund

# Longwood University

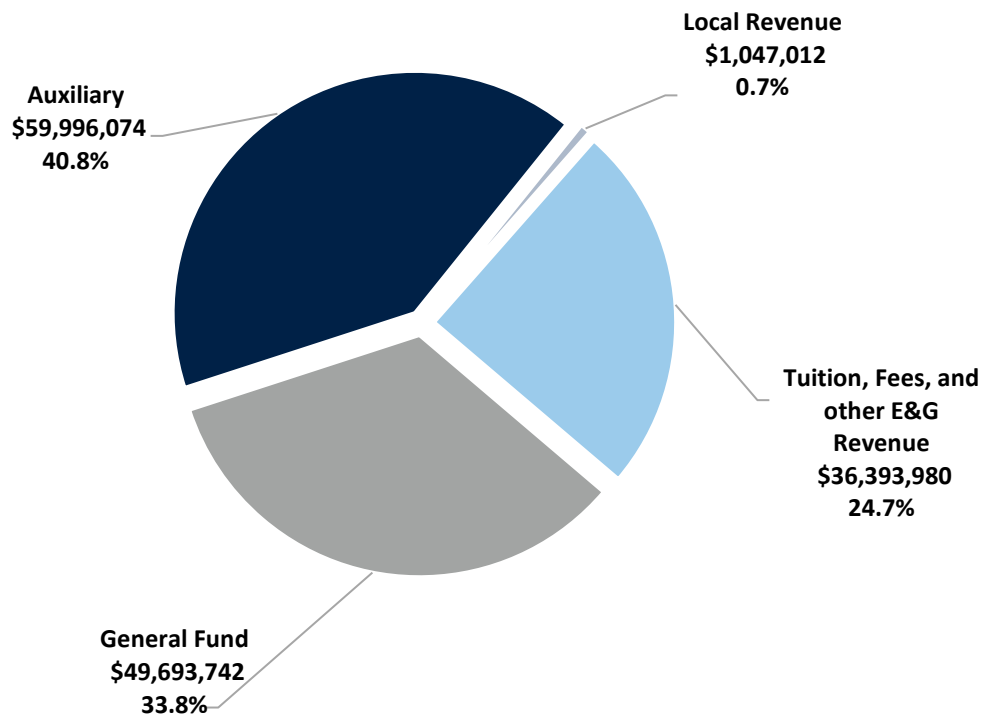
## FY 2024-25 Financial Overview

Educational and General	FY24 Forecast Actual	FY25 Proposed Budget
<i>Revenues</i>		
Tuition, Fee, and other E&G Revenues	38,246,266	36,393,980
State Appropriation – General Fund	46,386,709	49,693,742
Local Revenues	496,400	1,047,012
<i>Total Revenues</i>	85,129,375	87,134,734
<i>Expenditures</i>		
Instruction	41,369,994	42,611,094
Public Service	578,796	485,350
Academic Support	8,127,486	8,072,178
Student Services	5,031,613	4,832,071
Institutional Support	20,252,559	20,499,268
Facilities Operations	7,912,721	8,778,567
Scholarships	2,995,639	2,995,639
Salary Savings	(1,139,433)	(1,139,433)
<i>Total Expenditures</i>	85,129,375	87,134,734
<i>Auxiliary Services</i>		
<i>Revenues</i>		
Housing	24,376,152	24,768,778
Dining	7,980,000	8,444,970
Comprehensive Fee	21,401,136	19,974,240
Other Auxiliary Revenues	3,558,839	3,145,094
Local Revenues	3,709,098	3,662,992
<i>Total Revenues</i>	61,025,225	59,996,074
<i>Expenditures</i>		
Housing	25,681,164	25,208,774
Dining	8,133,812	9,044,970
Athletics	10,976,132	12,180,348
Other Services	16,554,681	13,861,982
Salary Savings	(320,564)	(300,000)
<i>Total Expenditures</i>	61,025,225	59,996,074
<b>Institutional Total Expenditures</b>	<b>146,154,600</b>	<b>147,130,808</b>

\*Appropriation excludes Higher Education Student Financial Assistance of \$8,395,079 in FY 2024 and \$9,697,449 in FY 2025.

# 2024-25 Total Revenue Comparison by Category

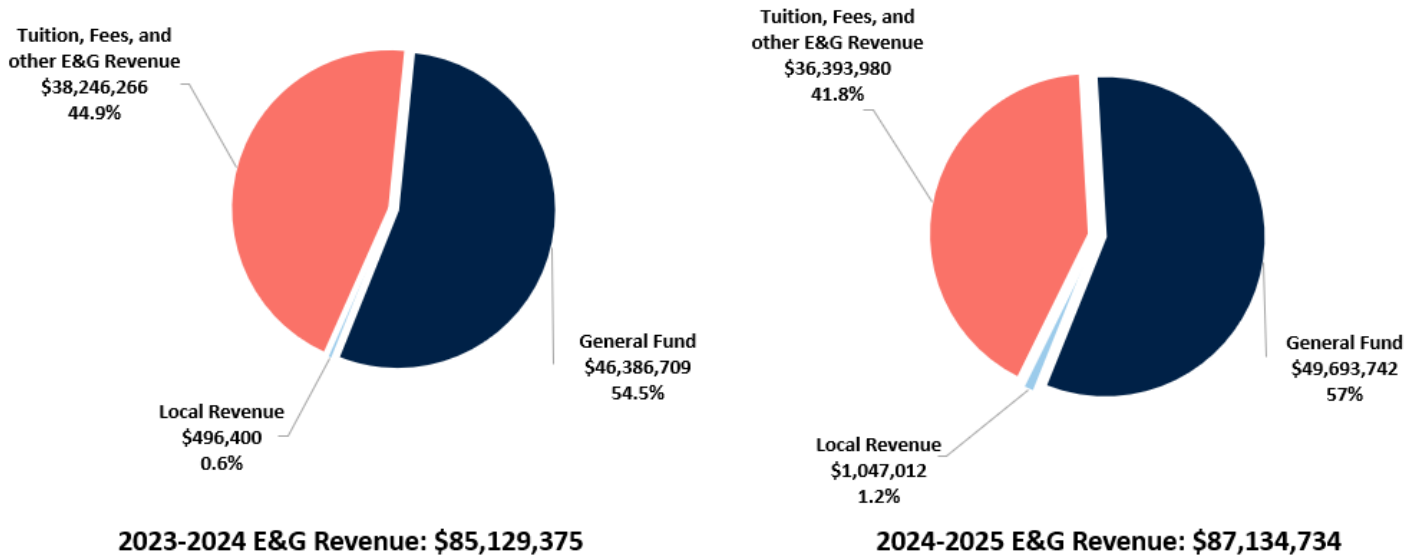
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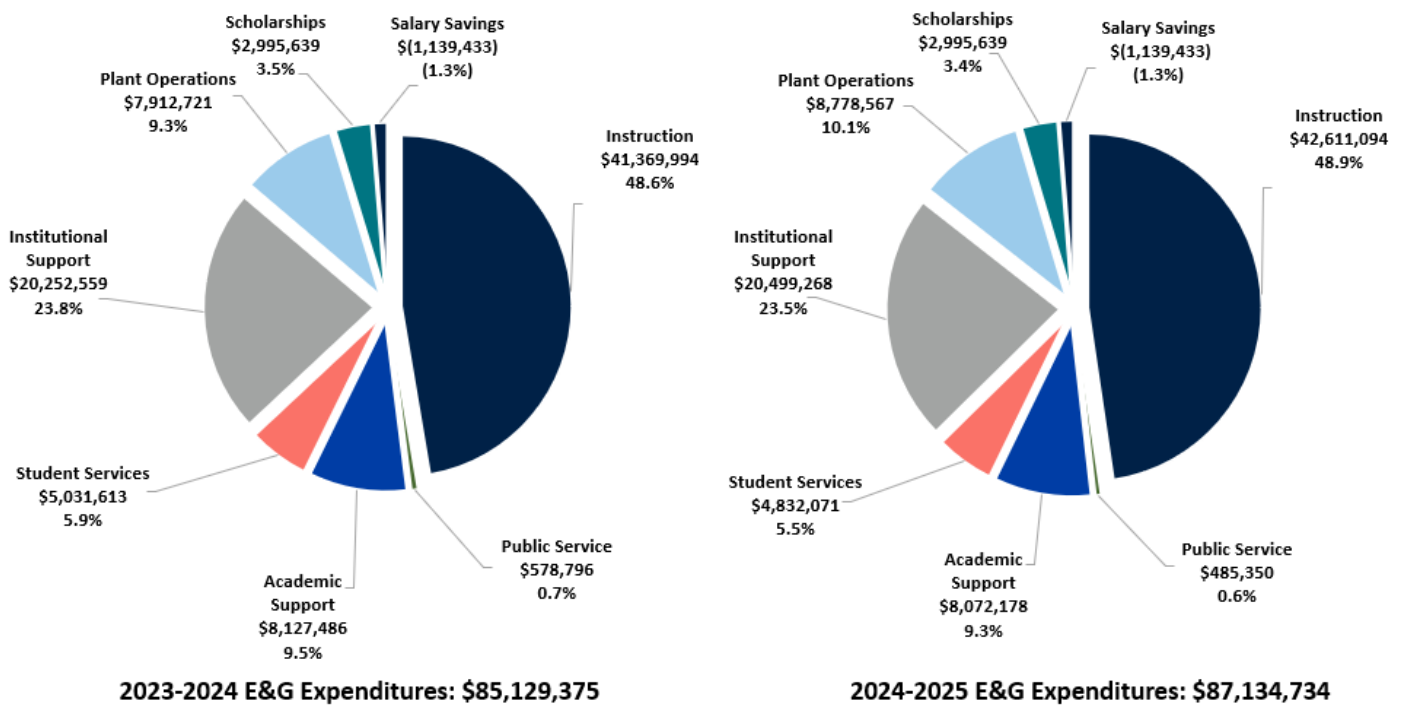
**2024-2025 Revenue: \$147,130,808**



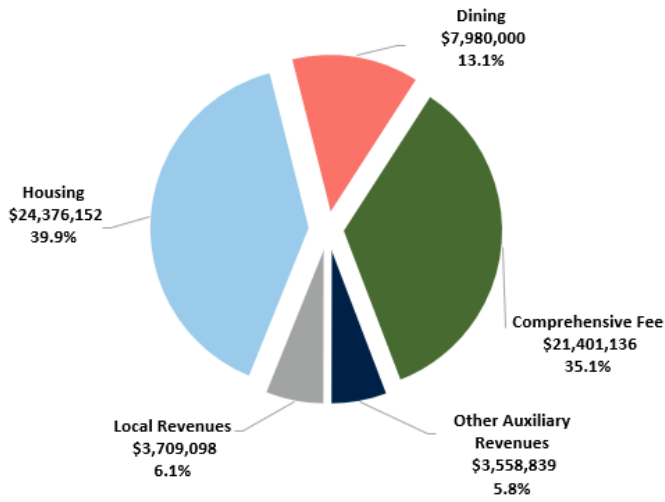
## 2024-25 Educational and General Revenues by Category



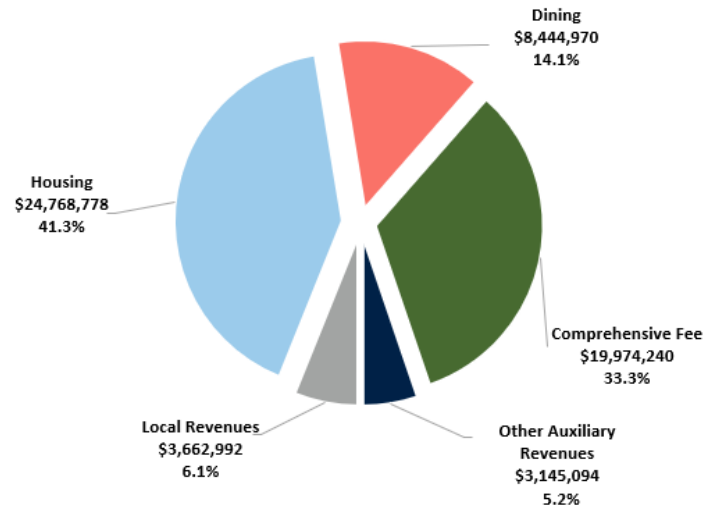
## 2024-25 Educational and General Expenditures by Category



## 2024-25 Auxiliary Services Revenues by Category

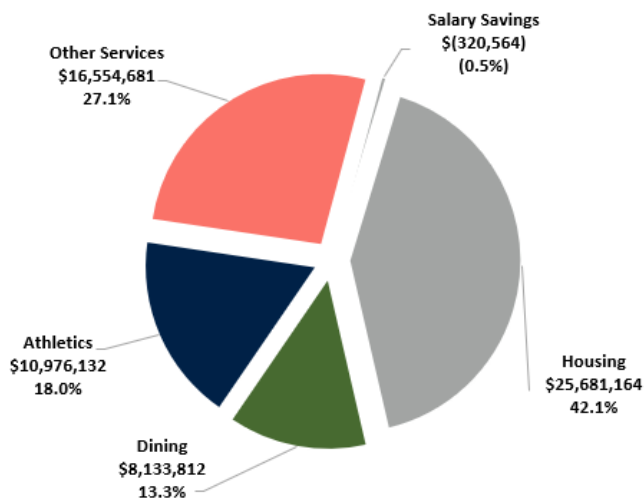


2023-2024 Auxiliary Revenue: \$61,025,225

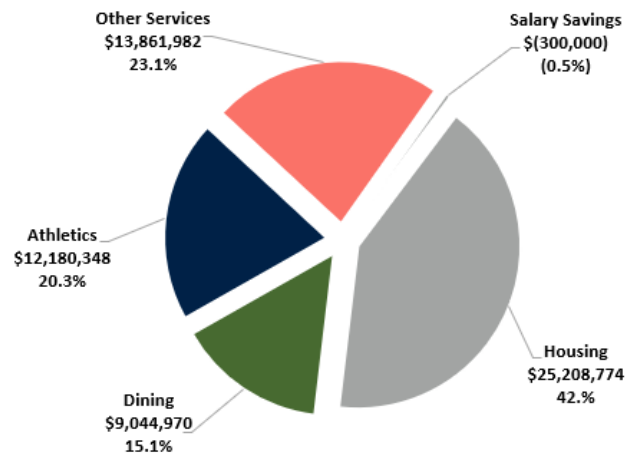


2024-2025 Auxiliary Revenue: \$59,996,074

## 2024-25 Auxiliary Services Expenditures by Category



2023-2024 Auxiliary Expenditures \$61,025,225



2024-2025 Auxiliary Expenditures \$59,996,074

## Budget Allocation Ratio

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This ratio reflects the amount of expenditures, by function, as a percentage of total educational and general expenditures and mandatory transfers. Major shifts in the various percentages may reflect a change in funding priorities.

Formula: Expenditure Budget (by function)/Total Educational and General Education Budget

	Fiscal Year	
	2024 April Forecast	2025 Proposed
Instruction and Academic Support	56.81%	56.86%
Public Service	0.68%	0.56%
Student Services	5.91%	5.55%
Institutional Support	23.79%	23.53%
Operation and Maintenance of Plant	9.29%	10.07%
Student Aid	3.52%	3.44%

## Longwood remains in a strong position

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The allocation ratios for Longwood University show slight shifts over the last four years. The following contributed to changes in expenditure budgets:

- Instruction and Academic Support ratio remains relatively unchanged but increased in dollars spent due to a second consecutive year of significant growth in the MBA program.
- Institutional Support increased in FY 2024 and FY 2025 due to reclassification of auxiliary expenditures to E&G.
- Student Services decreased due to identified operational savings.
- The percentage for Plant Operation and Maintenance increased as a result of escalating utility expenses and inflationary costs.
- There was a decrease in both the percentage and dollar amount allocated to public services, attributed to revenue adjustments made during the fiscal year. These adjustments have not yet been made for FY2025.
- Student Aid funding decreased in percentage from the prior year, although the dollar amount is unchanged.

## Debt Burden Ratio

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The debt burden ratio examines the University's dependence upon borrowed funds as a means of financing its mission. It compares the level of debt service with the institution's budgeted expenditures.

A level trend or a decreasing ratio over time indicates that debt service has sufficient coverage without impinging further on other functional areas. The standard for higher education is a maximum of 7 percent, meaning that current principal and interest expense should not be greater than 7 percent of the total budget.

Although the 7 percent level is an acceptable threshold, this percentage can range between 5 percent and 10 percent. The actual percentage will vary based upon the financial strength of the institution. Institutions with greater flexibility in allocating funds will be able to take on additional debt. Longwood participates in the state bond program which is based on fixed rates. Debt does not increase without budgeting an increase in funds available to pay the financial obligations.

In March 2007, the Board of Visitors approved an institutional debt ratio of up to 9 percent to facilitate the completion of non-general fund projects approved by the General Assembly.

Formula:  $\text{Debt service} / \text{Total expenditure budget}$

	FY2025
Longwood Debt Burden Ratio	6.35%

\*Debt burden ratio is calculated on most recent audited financial statements

# Glossary

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**Academic Support:** Includes activities conducted to provide support services to the institution's three primary programs: instruction, research and public service. Examples include the library, deans, academic technology, and academic service center and disability resources.

**Appropriation:** An expenditure authorization with specific limitations as to amount, purpose, and time; formal advance approval of an expenditure from designated resources available or estimated to be available.

**Auxiliary Services:** Activities within the University that exist to furnish goods or services directly or indirectly to students, faculty and staff. These activities charge fees directly related to, but not necessarily equal to, the cost of the service. Auxiliary services must be self-supporting.

**Banner:** Longwood's administrative information system that integrates Finance, Student and Human Resources modules within a single enterprise system.

**Direct Sales (Auxiliary):** Sales of auxiliary services, to include facility rental, bookstore income, parking decals/fines and recreation center memberships.

**Educational & General (E&G):** Term used to describe all operations related to the institution's educational objectives.

**Full-Time Equivalent (FTE):** A means for expressing part-time students or faculty as a full-time unit. The formula is generally based on credit hours. Example: An institution may define full-time as being twelve credit hours, so a student (or faculty member) taking (or teaching) three credit hours would then equal .25 FTE.

**General Funds:** Revenue received from the State from the collection of taxes, fees and other charges.

**Grants and Contracts (Sponsored Programs):** Sponsored program funds are generated through a grant or contractual agreement. Funds may be provided by state, federal, local or private entities. Sponsored program funds must be expended for the purposes outlined in the respective grant/agreement.

**Indirect Costs:** Fee charged to grants or contracts to pay for the use of University facilities, i.e., overhead.

**Institutional Support:** Activities whose primary purpose is to provide operational support for the day-to-day functioning of the institution, excluding physical plant operations. Examples include the President, Vice-Presidents, institutional research and assessment, administrative technology, public relations, financial operations, internal audit, human resources, and safety and security.

**Instruction:** Includes all activities that are part of the institution's instructional program, primarily all academic departmental operations.

**Mandatory Transfers:** Transfers arising out of (1) binding legal agreements related to the financing of the educational plant, such as amount for debt retirement, interest and required provisions for renewals and replacements of plant, not financed from other sources, and (2) grant agreements with agencies of the federal government, donors, and other organizations to match gifts and grants to loan funds and other funds.

**Miscellaneous E&G Revenues:** Includes non-general fund revenues derived from the sale of goods or services that are incidental to the conduct of instruction, research or public service. Examples include revenues from facility rentals, payment plan fees, administrative fees and indirect costs.

**Non-general Funds:** Tuition, fees, and all other funds not received from the State. This includes grants and contracts income.

**Non-mandatory Transfers:** These transfers serve a variety of objectives such as moving monies generated in auxiliary enterprise fund groups to an E&G fund group or to a capital outlay fund group for use in providing project funding.

**Operation and Maintenance of Plant:** This category includes the operation and maintenance of the physical plant. It includes all operations established to provide services and maintenance related to campus grounds and facilities. It also includes utilities, insurance, facilities management, custodial services, sustainability and power plant operations.

**Public Service:** Includes all funds expended for those non-instructional services established and maintained to provide services to the general community or special sectors within the community. Community service is concerned with making available to the public various resources and unique capabilities that exist within the institution. The Longwood Small Business Development Center is included in this category.

**Restructuring:** Legislation that allows institutions of higher education varying levels of decentralization in the areas of procurement, personnel and capital outlay while establishing commitments and performance measures for the institutions.

**Student Fees (Auxiliary):** Student dining, housing and comprehensive fees.

**Student Services:** Those activities whose primary purpose is to contribute to students' emotional and physical well-being and to their intellectual, cultural and social development outside the context of the formal instruction program. Examples include academic and career advising, admissions, registration, financial aid and student success.

**Tuition and Fees:** Non-general funds that include all tuition and fees assessed against students for current operating purposes. Fees include application fees, registration fees, course fees and on-line fees.