

**Administrative Council: Budget Meeting
October 14, 2019**

Members Present: Vice President Dimkova, Vice President Gabriel, Dr. Haggray, Dr. Hilbert, Dr. Hill, Dr. Knights, Dr. Leidig, Dr. Lynch, Dr. Reaves, Vice President Sachs, Vice President Villagran-Glover, Interim President Schiavelli.

Standing Guests: Ms. Charlotte Calobrisi, Associate Vice President of Human Resources, Ms. Corinne Hurst, Executive Office Manager, Ms. Akiva Kirkland, Legal Assistant/College Recorder, Dr. Donna Minnich, Senate Chair.

Presenting/Other Guests: Ms. Diana Cline, Budget Director, Dr. Sharon (Sheri) Robertson, Interim Chief Academic Officer and Associate Vice President of Academic Services.

INFORMATION: THE CHANGING FACE OF NOVA'S ENROLLMENT TRENDS:

Ms. Ina Dimkova, Vice President, Finance & Administration and Ms. Diana Cline, Budget Director, presented information to the Administrative Council on NOVA's declining enrollment and its negative effect on the budget. Ms. Dimkova reported that all NOVA campuses are below their 2014 enrollment levels. She also reported that two campuses are below their 1999 - 2000 enrollment levels while one campus is below its 2006 enrollment levels. Ms. Dimkova shared her concerns about the potential consequences of NOVA's declining enrollment which are very disturbing.

While NOVA has experienced significant changes in enrollment over the years, she mentioned that the budget office has been able to forecast the current changes six months before the start of the new fiscal year which will aid in financial planning moving forward. Ms. Dimkova noted that NOVA reached its peak enrollment in Fiscal Year 2013 with a college enrollment level of 35,754. Unfortunately since then, the college has experienced seven years of consistent decline. For the first time this fall, the college fell below the Virginia Community College System (VCCS) average decline of 3.95 percent. With NOVA Full-Time Equivalent Student (FTES) falling below the VCCS average (NOVA's FTES currently estimated at 5.88 percent), the potential impact on tuition revenue puts the general fund appropriation at risk.

Ms. Dimkova, along with Dr. George Gabriel, Vice President of Institutional Effectiveness & Student Success Initiatives, agreed that a lack of strategy and consistency has contributed to the college's overall loss and that years of planning have not materialized. Ms. Dimkova disclosed that during FY 13 to FY 2020 campus budgets increased by 17 percent or \$17M despite NOVA's years of declining enrollment and the budget reduction in FY 2018. NOVA's FY 2020 enrollment projection of 28,025 FTES is below the FY 2009 level. This is 6 percent below the budget target of 30,000 FTES. Ms. Dimkova and Ms. Cline shared that this loss of 1,975 FTES represents an \$11.2M loss in revenue for the college. Ms. Dimkova stated that her office has budgeted for this

loss and their financial plan will allow the college to cover the loss in revenue, but only for the current fiscal year. She advised the Council members that immediate strategies are needed to secure enrollment growth and added even if the college does not suffer an additional decline in enrollment, college-wide reductions are still necessary to overcome the financial constraints due to the significant enrollment loss. The Council members agreed that the budget is a consequence of decreased enrollment affecting the college at this time.

Dr. Mel Schiavelli, Interim President, stated that the college has been enjoying increases in a portion of the general fund money that is determined by student success outcomes, commonly known as performance based funding. Dr. Schiavelli added that these increases were not because the college was doing better, but because NOVA's numbers were declining at a slower rate than the System. He also added that performance based funding represents 20 percent of NOVA's general fund appropriation already at risk.

Dr. Gabriel emphasized that college leadership will need to work diligently to determine how to move forward. He added that the situation can be remedied by a strong plan between now and August to impact summer and fall enrollment. He also added that everyone, including faculty, needs to participate in implementation.

The Council members agreed that schedule changes may have also contributed to the college's decline in enrollment. They suggested that each campus appoint an individual to help manage enrollment; specifically schedule changes and class size modifications. They also suggested that class size should not be determined by faculty preferences, but by the maximum amount of seats per classroom. The Council members discussed campus reductions which may range from eliminating some vacant faculty and adjunct positions, cutting sections, increasing class sizes when there is sufficient classroom space to do so, and in some cases, consolidating or limiting multiple course offerings on the same campus.

Dr Schiavelli stated that the overall goal is to build a budget based on the assumptions and projections. He concluded that NOVA will have to close the budget deficits through sizeable reductions to cover the \$11.2M loss in revenue and balance the budget.

UPCOMING AGENDA ITEMS:

- Curriculum Committee Actions (11/5, 11/19, 12/17)

UPCOMING AC MEETINGS:

- November 5 Brault Conference Room- Admin Council
- November 19 Brault Conference Room- Admin Council
- December 4 Senior Leadership Retreat- Cont'd
- December 17 Brault Conference Room- Admin Council

Note Taker:

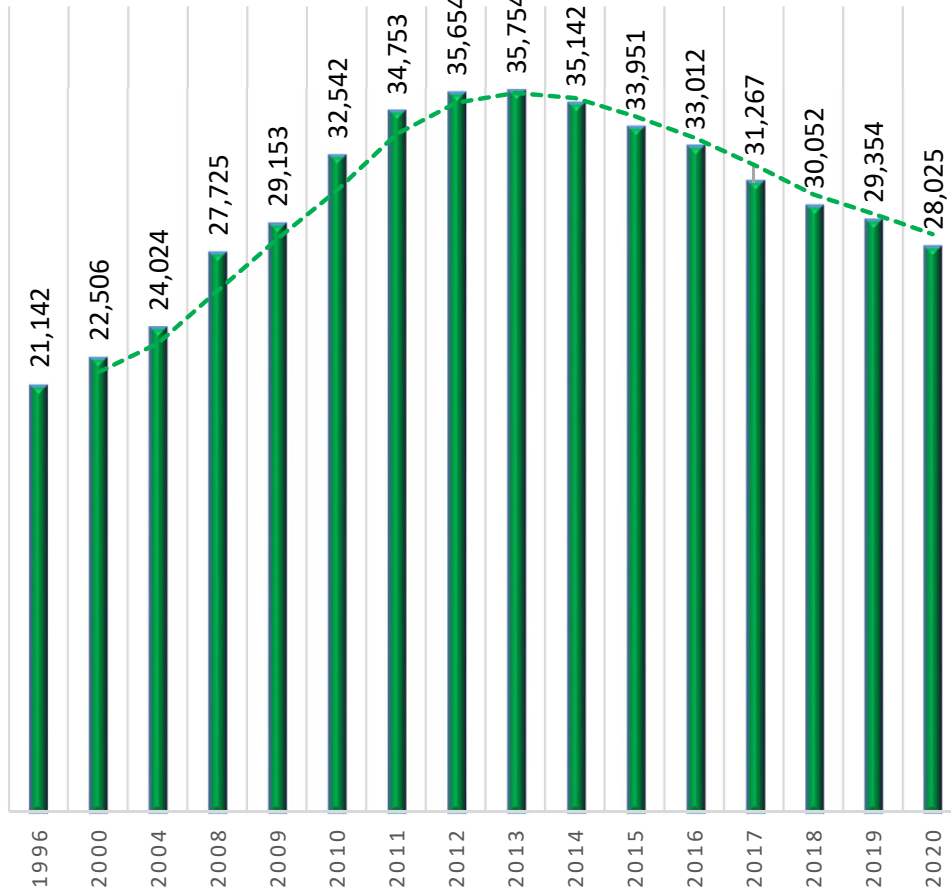
Akiva Kirkland

Office of Associate System Counsel/President's Office

The Changing Face of NOVA's Enrollment Trends

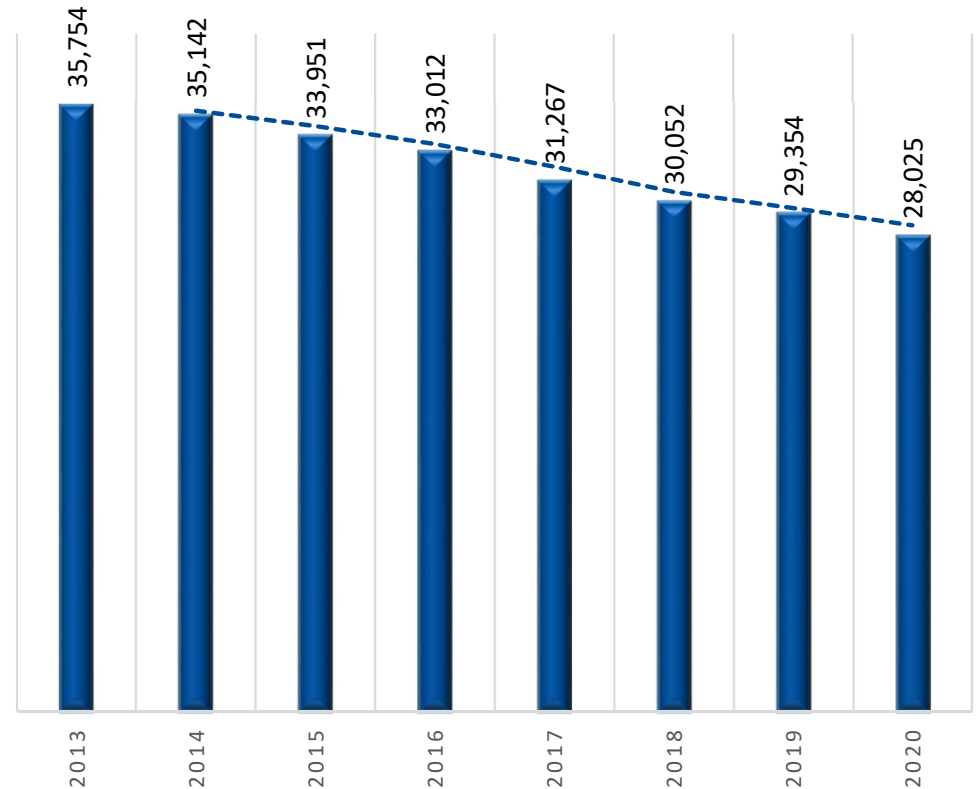
Over the years NOVA has experienced significant changes in enrollment. NOVA reached its peak enrollment in FY2013 with an enrollment level of 35,754.

NOVA ENROLLMENT TREND FY1996 - FY2020 PROJECTED



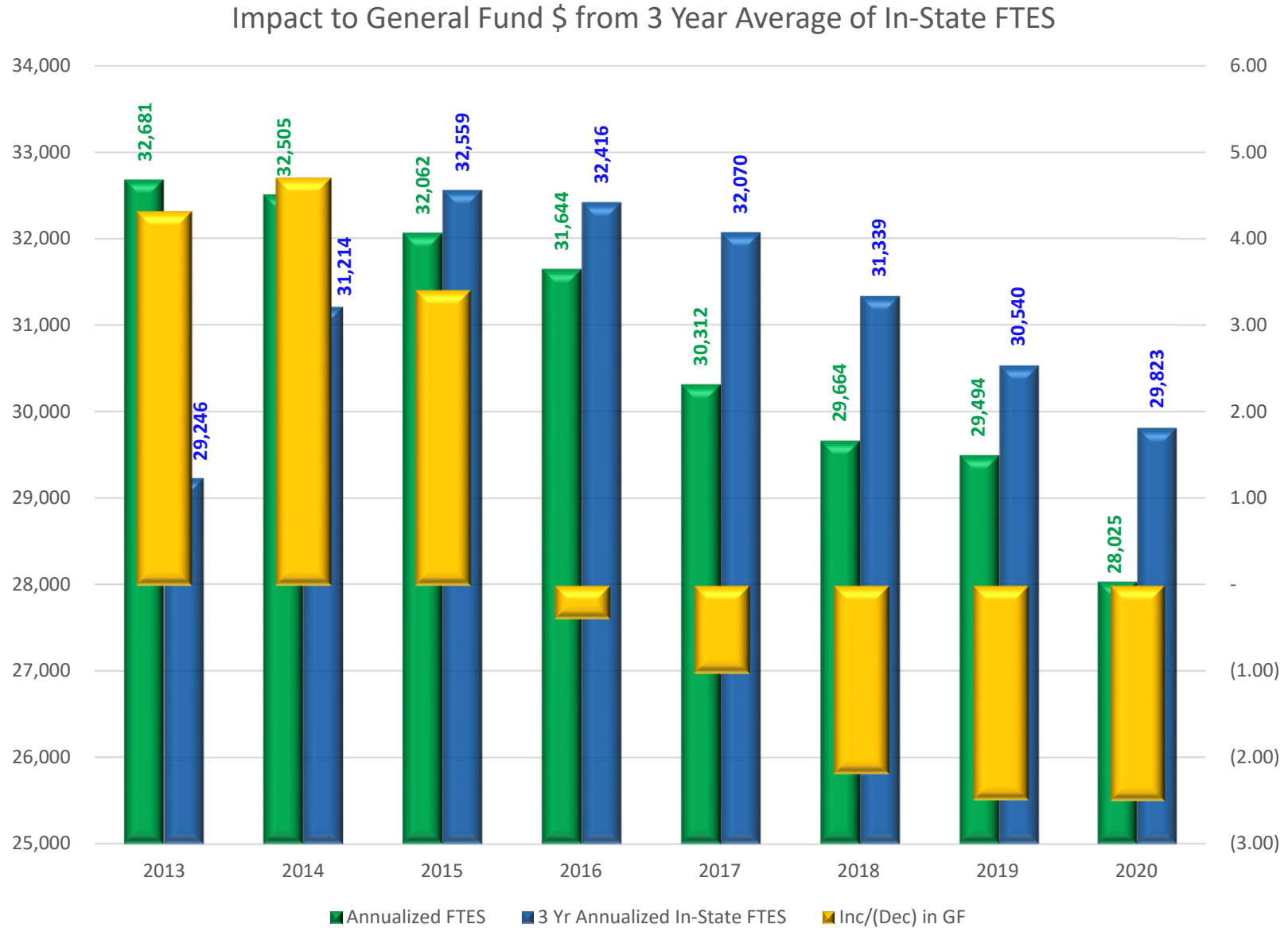
Enrollment figures exclude high school contract dual enrollment

NVCC ENROLLMENT TREND FY2013 - FY2020 PROJECTED



Since FY2013, the college has experienced 7 years of continual decline and for the first time this fall, NOVA is below the VCCS average decline with a (5.88%) vs the VCCS of (3.95%).

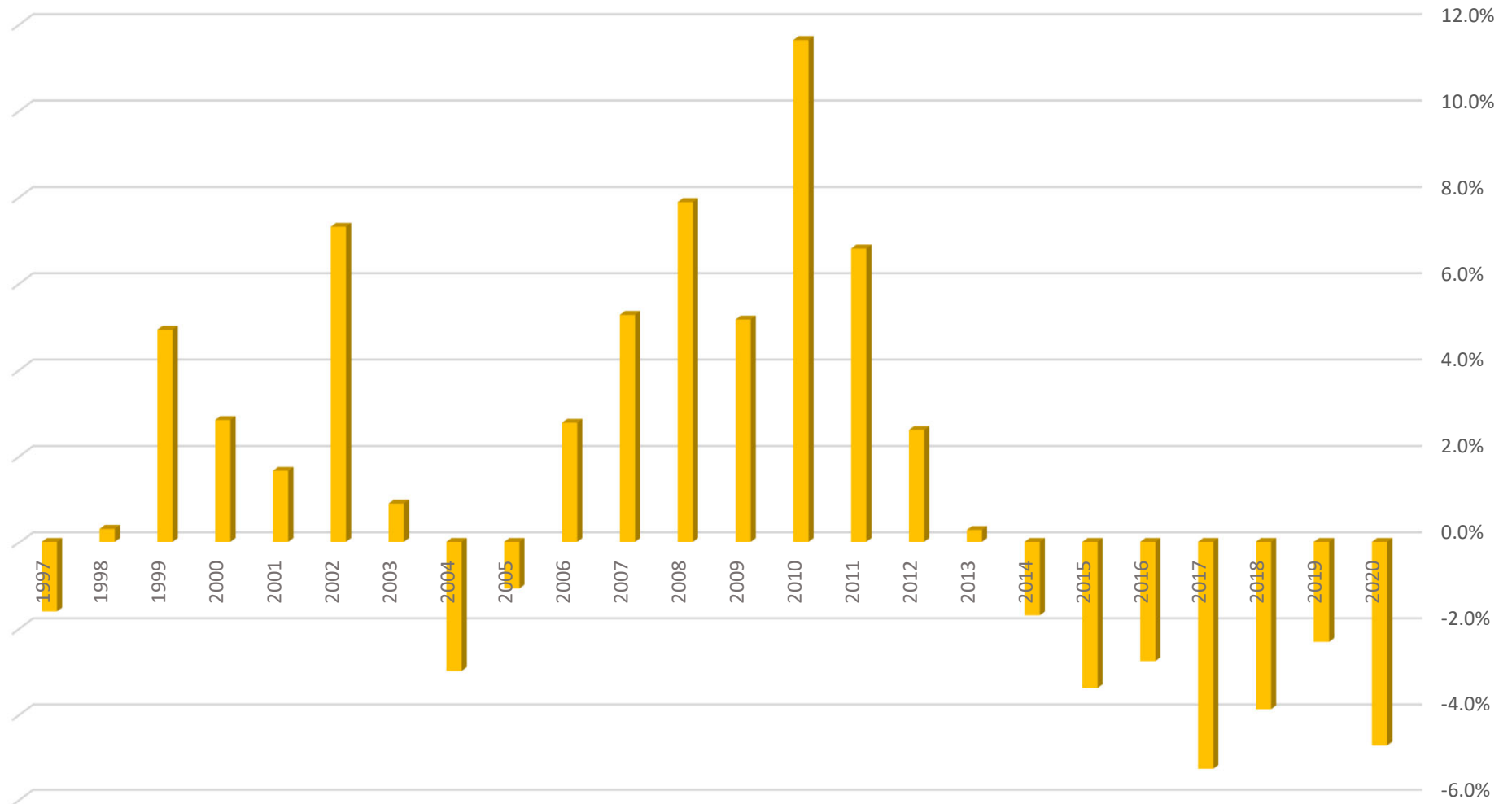
FTES's falling below the System average, puts the general fund appropriation at risk



plus with the decline in FTES, the potential impact on tuition revenue is \$11.3M.

During the recession (2008 – 2012), NOVA’s FTES increased by 7,929 or 29% to our highest level of 35,754 FTES. In the years that followed, the FTES decreased by 7,729 or 22%. NOVA’s projected FY2020 FTES of 28,025 are below the FY2009 level.

NVCC PERCENT CHANGE IN FTES FROM FY1996 - FY2020 PROJECTED

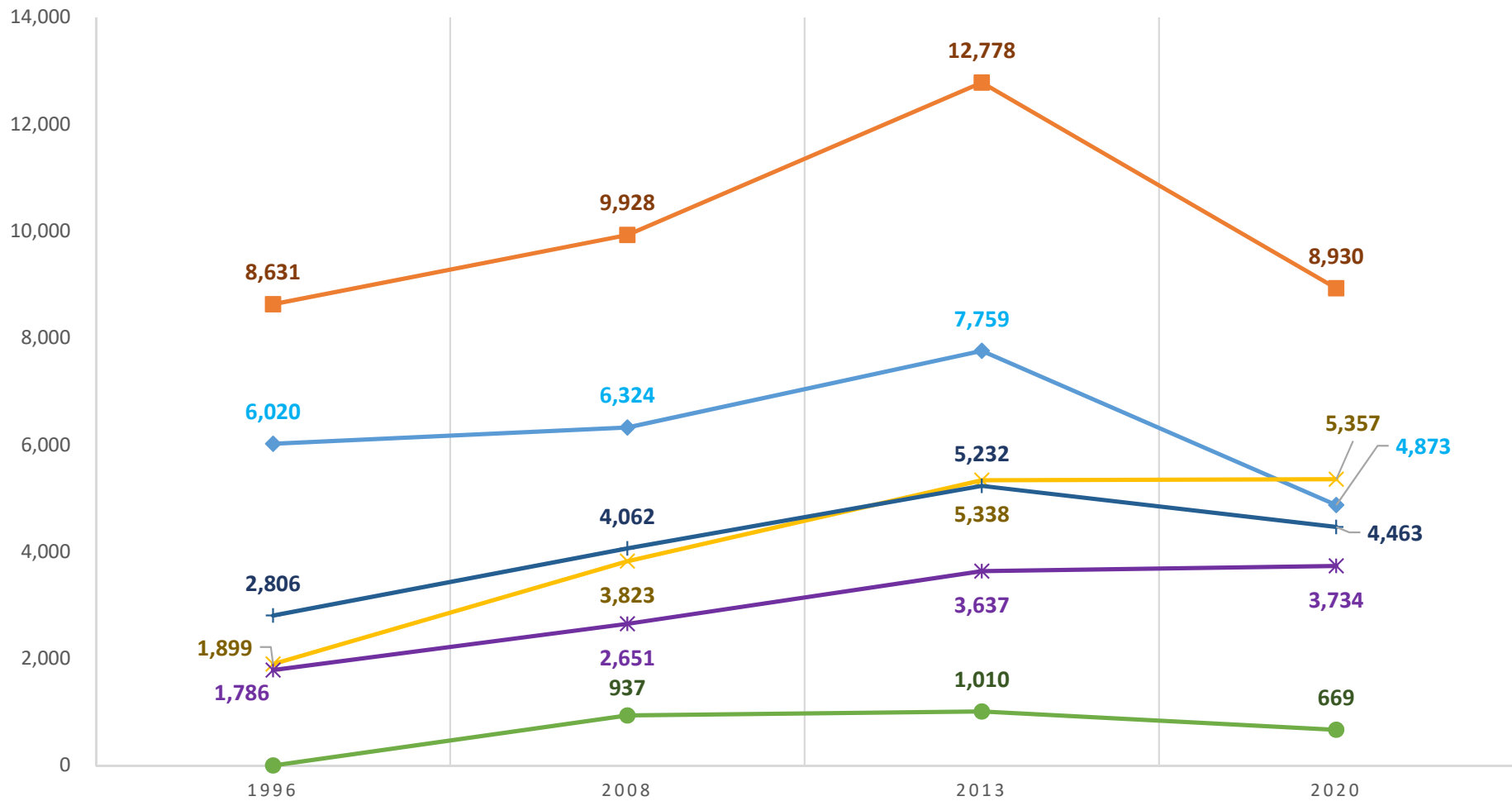


Enrollment figures exclude high school contract dual enrollment

All campuses are below their 2014 enrollment levels, two campuses below their 1999-00 enrollment levels, and a campus below its 2006 enrollment level.

ENROLLMENT TREND BY CAMPUS (with IET Included in Campus FTES)

◆ Alexandria Annualized FTES
 ■ Annandale Annualized FTES
 ✕ Loudoun Annualized FTES
✱ Manassas Annualized FTES
 ● MEC
+ Woodbridge Annualized FTES



During FY2013 to FY2020, campus budgets have increased by \$17M or 17% despite the years of declining enrollments and the budget reduction in FY2018.

The FY2020 enrollment projection of 28,025 FTES is (6.6%) below the budget target of 30,000. The loss of (1,975) FTES represents an (\$11.2M) loss in revenue. The College's current financial plan allows NOVA to cover the loss in revenue for the current fiscal year.

However, immediate strategies are needed to secure enrollment growth. Assuming no additional decline in enrollment, the table to the right lists the required reductions to overcome the financial constraints due to significant enrollment loss.

	FY2020 Budgeted FTES	FY2020 Projected FTES	Variance Projected over/(under) Budget	% Change	Reduction Amount
Alexandria	4,691	4,399	(292)	(6.2%)	(1,228,768)
Annandale	9,265	8,273	(992)	(10.7%)	(2,115,320)
IET	2,490	2,518	29	1.1%	
Loudoun	4,942	4,935	(7)	(0.1%)	
Manassas	3,649	3,431	(218)	(6.0%)	(1,178,276)
Medical Education	715	670	(45)	(6.2%)	(1,233,904)
Woodbridge	4,250	3,799	(451)	(10.6%)	(2,095,166)
Subtotal Academic	30,000	28,025	(1,975)	(6.6%)	(7,851,435)
NOVA On-Line					(258,823)
President					(118,334)
Academic Services					(305,945)
Instructional & Information Tech					(591,745)
Finance & Administration					(867,482)
Student Services					(758,113)
Institutional Research					(216,359)
Strategic Partnerships					(261,154)
Subtotal Administration					(3,119,133)
Total College					(11,229,391)